

The NATIONAL UNDERWRITER

Life Insurance Edition



YOU members of The National Association of Life Underwriters have been definitely interested in more efficient methods of compensation. Our Builders-of-Men Plan not only looks good on paper . . . but through actual operation is securing even better results than was anticipated. Our field men are prospering and our policyholders are receiving more efficient service . . . two important factors in the success of any Plan.

GUARANTEE MUTUAL LIFE COMPANY

A. B. OLSON, Vice President

1805 DOUGLAS ST.

OMAHA, NEBR.

FRIDAY, MARCH 15, 1946

GREETINGS *to the*

NATIONAL ASSOCIATION OF LIFE UNDERWRITERS



The United Benefit Life Insurance Company and the Mutual Benefit Health and Accident Association welcomes the National Association of Life Underwriters. While you are in Omaha, we will be pleased to have you visit our Home Office at 33rd and Farnam Streets. Here you will see how the Companion Companies render prompt and efficient service to policyholders throughout all states of the United States, District of Columbia, Canada, Newfoundland, Alaska and Hawaii.



COMPLETE PERSONAL PROTECTION

Health and Accident

Ordinary Life

Hospitalization

Endowment

Medical Reimbursement

Retirement Income

Combination Life, Health and Accident



THE
COMPANION
COMPANIES



Over \$53,000,000 in Health and Accident Premiums

OVER \$400,000,000 LIFE INSURANCE IN FORCE

High Court Shows Realization of Tax Issue Importance

**Extends Time for
Arguments in S. C. Case
to 2½ Hours**

By H. C. HALLAM

WASHINGTON—Arguments in case No. 707, Prudential vs. Commissioner Benjamin of South Carolina, involving constitutionality of the premium tax of that state on foreign companies, started before the Supreme Court late Friday afternoon. After only 10 minutes, they were continued until Monday, for conclusion after announcement of decisions.

Realizing the importance of issues involved, apparently, the court did two unusual things. One was to hear the remainder of the arguments, after decisions, on a day when it was adjourning for a two weeks recess. The second was to extend the time for argument from 2 hours to 2½, of which 30 minutes was granted to C. H. Foust, assistant attorney general for Indiana, as spokesman for 10 states which had filed a brief as amici curiae in support of the South Carolina law and other state laws taxing foreign companies on a different basis from domestic companies. The remaining time was equally divided between the parties to the suit.

Henderson for Prudential

Joseph W. Henderson presented argument for Prudential; T. C. Callison and David W. Robinson for South Carolina. Mr. Henderson had hardly got started when the court suspended for the week-end.

Outlining briefly the company's position, Mr. Henderson summarized the South Carolina laws involved, imposing total taxes of 3% on premiums of foreign companies on policies sold in the state. After the S.E.U.A. decision, he said, Prudential asked the South Carolina commissioner to grant it a license for 1945-46 without payment of the tax. This being refused, and there being no South Carolina law provision for tax payment under protest, the company instituted injunction proceedings for relief.

Following the criteria set up by Justice Black in the majority opinion in the S.E.U.A. case, Henderson cited facts and figures to show the nation-wide scope of Prudential's business, its \$6 billion assets, 34 million policies on 23 million lives carrying total insurance of \$23 billion.

To show how "interstate" its business is, Henderson said all of it goes through the home office at Newark and policies are issued through the facilities of interstate commerce. The extent of company operations in national advertising was outlined and the Court was told it spends \$900,000 on radio programs. There were 27,000 policies in South Carolina in 1944. Prudential does business on a national basis. Its funds are collected through Newark and deposited in over 500 banks throughout the country.

In hearing the arguments the Court had before it a brief as amici curiae filed on behalf of Alabama, Indiana, Kansas, Massachusetts, Michigan, Nebraska, New York, Ohio, Oklahoma and Texas.

They argued that the S.E.U.A. decision does not invalidate South Carolina pre-

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To Confer With Treasury on Employee Tax Issue

**Meeting March 19—C. P.
Dawson Tells Chicagoans
of Pension Trends**

An important meeting is scheduled March 19 between life insurance committees and Treasury officials on the long standing question of whether to exclude as taxable income to the employee that portion of an employer's contribution to a pension plan that can be regarded as a premium for term insurance.

This was made known by C. Preston Dawson, New England Mutual general agent at New York and head of the C. P. Dawson Co., in addressing at



C. P. Dawson



H. G. Swanson

luncheon a group of about 100 Chicago pension trust writers and members of the H. G. Swanson New England Mutual agency. Mr. Swanson was host. It was the 15th anniversary of his agency.

One report is that the Treasury may offer to make such exclusion up to a maximum amount per individual.

Points Out Inconsistency

Mr. Dawson pointed out the inconsistency of taxing the life insurance element in a pension trust contract and at the same time removing from tax group insurance premiums paid by the employer. The two questions are linked, he said, and the Treasury is reluctant to disturb the group insurance ruling which was given some 20 years ago. The Treasury says that the ruling as to group was made at a time when most group insurance was in the amount of one, two and three thousand dollars and when the maximum was \$5,000. The exemption was in the nature of a social proposition. The Treasury has balked at approving an exemption of substantial amounts per individual and Mr. Dawson said an unlimited exemption can't be hoped for.

Mr. Dawson covered his subject in fluent style and made many pointed observations as to trends in the realm of employee benefit plans. He predicted that hereafter broad gauged pension planning organizations of professional character will be called on in connection with most of the employee plans at least for the larger corporations. Employers have heard the conflicting claims of advocates of self administered plans, group annuities and pension trusts and they seek the counsel of an organization that knows the respective merits of these various schemes and will prescribe them objectively.

Warfare between the various plans is ridiculous, he said. All of them will continue to exist and what is needed are organizations that can take to the public the whole story. Often the indicated solution is a combination of plans. In a Chicago concern, for instance, all three are combined. Also it may be wise to combine profit sharing and pension plans.

Currently Mr. Dawson said there is undue emphasis on profit sharing plans

as contrasted with pension setups. Employers are attracted to profit sharing plans today because of elimination of the excess profits tax, but they are making a mistake when they think that in the installation of such a plan they are solving the pension problem.

A profit sharing plan is likely to undersolve the pension problem for the older employee and oversolve it for the young man. For instance if 5% of payroll goes into the plan for five years for a \$10,000 man, now aged 60, at 65 he will have but \$2,500 to his credit and that will buy an annuity of only about \$20 a month.

Spends Money, Still Has Problem

Under an exclusive profit sharing trust, the employer is likely to find that he has spent the money but still has the pension problem.

Employees with a profit sharing trust are likely to think of themselves as being somewhat in the same shoes as the stockholders. Hence if restrictions are introduced to convert the plan into a quasi pension arrangement the employees may become resentful. They will be inclined to consider the system as one that should allow for distribution. A firm whose profit curve is eccentric might wisely install a pension plan to provide a subsistence retirement and, on top of that, a profit sharing plan.

Under a pension plan the objective should be to provide for the group that is reasonably certain to be around and ready for retirement at 65.

Individual Contract Plans

There is, Mr. Dawson said, an enormous market for the sale of individual contract plans. That should be the field for a great many agents.

Mr. Dawson said there is a tendency on the part of insurers to provide more acceptable "underwriting tools" in this area. At first there were no contracts designed for pension plans, and it was necessary to make the regular contract fit the situation. There will be an increasing demand for equipment that truly meets the requirements of corporations.

For instance what a corporation wants is to have a life annuity as the basic option. Yet at first a 10 years certain proposition was what was offered. New England Mutual, he remarked brought out a retirement income with life annuity at maturity and under it the costs are reduced 7-8%.

Also he said New England Mutual brought out life contracts of five years maturity; retirement income to mature at 70, retirement income with insurance at the end of the fifth and subsequent years; retirement annuity without life insurance maturing in one year, two years, three years, etc.

The agents he counseled to bring pressure on their home offices to fashion contracts and terms to meet the situations that arise.

Occasionally an employer wants a wide eligibility base, for instance to cover employees after six months or one year. In the earlier days the solution might be to set up a self administered plan for the first five years. Now it is possible to use what he called a "term pre fix" to five years.

A popular scheme for handling standard lives is to charge standard rates, provide regular pension benefits, but reduce the life insurance amount at least for the first few years. This is known as the lien basis.

Mr. Dawson said he welcomes the growth of group permanent. This will mean more flexibility in planning pension

Selection Units Caught Unprepared for Huge Increase

**Spurt in Sales Unprecedented Without Policy
Changes as Stimulus**

NEW YORK—The sudden spurt in business in January caught the underwriting departments of most of the companies unprepared to meet an emergency of such size, and many of them were far behind. They have gradually brought the situation under control, even though some of them have been unable to close the gap that developed in the early stages of the new business flurry. They are now holding their own, but are still behind the rush of new business.

The companies' experience in March differs to some extent. Some of the larger insurers report that the peak reached in February is being maintained or exceeded so far in March; other companies indicate a tapering off.

Increase Is Unprecedented

Even before the big increase, which is described by underwriters as unprecedented without important policy or rate changes as a stimulus, there was a decided increase in work for underwriting departments. Loans had increased substantially, beginning last September which added substantially to the headache facing the departments. In addition one company reports that requests for changes in beneficiary have doubled in the last six weeks. Veterans are returning from the army. Many of them have been married and are anxious to get their affairs in order.

Agents are returning to the job and one of the first things they do is to see that the beneficiary situations of their prospects are in good order.

Most of the companies were operating under a strain and had been for some time. They had been losing people steadily for four years.

Added to this limitation of manpower, has been one of mechanical devices. These cannot be purchased over night and at best require two or three months to build and install. The typing of policies is one of the worst bottlenecks.

Offsetting this has been the return of some former employees of the departments and the addition of some new employees since Feb. 1. The companies generally have resorted to overtime, and there has been considerable Sunday work.

Inquiries continue to pour in. One underwriting department reports that its phones are going constantly. Agents want information on their business. It is more difficult to keep up with the issuance of the policy after the business is underwritten. The companies apparently are dropping further behind on this part of the processing than on the selection process.

The time will come, he predicted, when more and more ordinary companies will have to accept business on the group basis. The group companies are thinking in terms of solving the public's problem, he declared.

The war-born popularity of non-contributory plans is passing. Prior to the war 80% of the plans were contributory (CONTINUED FROM PAGE 36)

Dineen Is Star of Hearing on N. Y. Guertin Proposal

Critics, Led by Gilbert, Term Measure "Fraud" and "Larceny"

ALBANY—Opponents of New York's proposed version of the Guertin law had their innings at the joint insurance committee hearing of the senate and assembly but considering the blast two days before in New York City's "PM" there were remarkably few to speak against it. Easily the star of the show was Superintendent Dineen, who distilled two years of study of the bill into less than an hour's exposition, in layman's language, of the need for the bill, what it would do, and what would happen if no action were taken.

Most vehement of the critics was Elias A. Gilbert, co-author of "Life Insurance: a Legalized Racket," which was a best-seller a decade ago, and "Investing in Disaster." Appearing as a representative of the American Investors' Union and Consumers' Union, a radical outfit which advises on purchases, Mr. Gilbert read a lengthy statement in which he accused the companies, among other things, of the "slickest bit of accounting legerdemain ever attempted." He accused them of using a modernized mortality table as the "anesthetic for hacking away substantial rights of policyholders."

Fears of Policyholders

Mr. Gilbert was unfortunately handicapped by a bad stammer, so that his hearers sometimes wondered how a word, once begun, was going to end up, as when he said that all that the policyholder would get out of the enactment of the Guertin bill would be "a thorough f-f-f-f-fleeing."

Saying that much is being made of the fact that the measure is an actuary's bill and that only an actuary can understand it, Mr. Gilbert said "it doesn't take an actuary to discern the legal fraud that is proposed." He said it would result in loss of individual rights of policyholders, loss of important safeguards, and a discriminatory increase in the cost of insurance and annuity contracts. He stressed the policyholder's inherent right to the reserve in the policy. He attacked the "grossly false assumption that cash values and reserves are not connected" and said if the companies succeeded in getting the Guertin bill enacted "they will have succeeded in their long-sought object of evading their obligations to their policyholders."

Charges "Neat Evasion"

Mr. Gilbert said the separate calculation of reserve and cash values permits a "neat evasion," making it possible to say there is no surrender charge. He charged that the Guertin bill would bring back the evils of the Tontine system and would be a means of evading the 10% limitation on surplus. He said that not only would it increase the reserves but that it would increase the base on which the 10% limit was computed. He said that while the Tontine plan at least set a definite date by which accumulations had to be distributed, the Guertin plan contained no guarantee that the extra amounts accumulated would ever be distributed to the policyholders.

In explaining the bill, Mr. Dineen said that with all due respect to Mr. Gilbert and Senator Moritt, who had also at-

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Give High Points of 1945 Statements

COLUMBUS MUTUAL LIFE

An increase of \$5,364,455 in assets during 1945 brought the total of Columbus Mutual Life to \$57,730,911. Insurance in force increased \$12,147,543 and now stands at \$182,734,494. Surplus for policyholders and contingency funds were increased by \$1,089,095, making a total of \$5,850,525.

A total of \$1,086,222 was paid out in death claims of which \$167,955 were war claims. During the entire war period \$478,577 has been paid on 245 lives lost as a result of service in the armed forces.

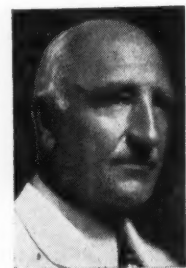
FARM BUREAU LIFE

Farm Bureau Life of Columbus shows assets of \$10,409,200 and surplus and contingency reserves of \$1,461,218.

Assets increased 28.9% and surplus and contingency reserves gained 38.8%. Insurance in force showed an increase of \$25,789,000, or 24.7%, to a total of \$130,036,100.

INDIANAPOLIS LIFE

The gains of insurance in force and assets made by the Indianapolis Life for 1945 were the largest in its 40 years, according to President Edward B. Raub.



E. B. Raub

Insurance in force increased \$12,167,097 to \$154,308,575. Assets increased \$4,626,934. Income was \$8,427,932. Disbursements totaled \$3,840,632. Surplus increased \$338,241, making total of \$2,811,691. Benefit payments

were \$1,789,439.

New business was 24.2% ahead. Assets now total \$42,934,223. Government bonds total \$21,367,200, or 50% of assets.

Additional reserves for annuity and policy obligations, based on lower interest assumptions, were voluntarily set aside.

PACIFIC MUTUAL LIFE

Life insurance in force of Pacific Mutual now stands at \$718,917,013, a gain of \$43,739,000. President Asa V. Call reports. New life insurance issued amounts to \$81,671,284 and A. & H. premiums were \$5,503,285. Benefit payments were \$18,441,679.

Assets are \$319,530,931, increase \$29,730,416. Government bonds comprise 40% of assets. Interest earnings were 3.1%. There has been set aside \$2 million in a special corporate reserve which may be used for further restoration of benefits under non-cancellable A. & H. policies. Heretofore there was appropriated for such purpose \$3,117,000 which provided a 12% restoration.

PRUDENTIAL

In publishing Prudential's 1945 report, President Shanks, said that since the company entered the mortgage loan field its total loans on city and farm properties have amounted to \$4 billion.

Subscriptions to U. S. and Canadian victory loan bonds during the year aggregated \$955 million.

Assets were \$6,356,000,000, an increase of \$499 million.

Of all death claims paid, 14% resulted from deaths in some respect related to the war, bringing total war claims to \$59 million, and claims are still being

presented, largely in respect to persons missing in action. The amount paid or credited to policyholders and beneficiaries totaled \$446 million.

Insurance in force increased by \$959 million to \$23 billion 800 million.

SHENANDOAH LIFE

President Paul C. Buford of Shenandoah Life reports that 1945 operations gave a gain of \$17,277,938 in insurance in force, an increase of \$2,277,559 in assets and an increase in contingency and surplus funds of \$279,828.



Paul C. Buford

The war mortality contingency fund was discontinued, the group contingency fund was dropped and a \$500,000 fund was set aside to provide against future adverse fluctuations in mortality, interest earnings and in value of assets.

Assets now stand at \$17,882,264. Capital is \$500,000, contingency reserve \$500,000 and net surplus \$924,132. Insurance in force stands at \$327,918,251 divided ordinary \$113,886,414, group \$214,031,837.

New ordinary production was \$13,485,332 and group sales \$19,384,962.

UNITED OF CHICAGO

Assets of United of Chicago increased \$1,529,180 last year and now stand at \$5,292,280, according to the report of President O. T. Hogan.

The capital is \$1 million, contingency funds \$200,000 and net surplus \$1,546,495. The total income of \$7,361,539 was an increase of \$1,543,210. In four years there has been an increase in this respect of 143%.

United has just paid a dividend of \$5 a share.



O. T. Hogan

N. Y. Bill Passes to Permit 6½% Renewal Payments

The New York assembly has passed the Crews bill amending the insurance law to provide that renewal commissions or collection fees may be paid to life agents after the first year for the duration of the policy up to 6½% instead of 5% as formerly.

Franklin Life Recognizes Sidewalk Superintendents

Here pictured is the sidewalk superintendents' platform, created on the theory that everyone likes to watch construc-



tion, at the site of the excavation for the 11 story addition to the home office of Franklin Life at Springfield, Ill. The foundation for the building is nearly completed and it will be ready for use by the end of the year.

Allyn Distributes Draft Definition for Group Life

Standard Provisions Also Included in Material Sent to N.A.I.C.

HARTFORD—Commissioner Allyn of Connecticut, chairman of the life insurance committee of the National Association of Insurance Commissioners, has sent out to all commissioners copies of the draft of revised group life insurance definition and group life standard provisions which were adopted in principle at Chicago Feb. 8 as a tentative basis for uniform recommendations. These are identical to the recommendations of the group writing companies as submitted to the commissioners by Albert Pike, Jr., actuary of Life Insurance Association of America.

Mr. Allyn has asked his fellow commissioners to give him their comments and suggestions by March 31, accompanied by exact statutory wording which could be used. In the meantime he will prepare and send them a parallel-column comparison of the revised definition and standard provisions and the 1917 recommendations showing as well the deviations from the recommendations of the Life Insurance Association of America.

In his accompanying letter Mr. Allyn points out that it might as well be recognized that the conflicting views cannot be entirely reconciled and that the revised definition as drafted proposes a definition about which there is little difference of opinion and leaves to the particular state the decision whether group life insurance should be extended in that state beyond the revised definition. He emphasizes that enactment of this proposed definition in the large number of states which do not now have group life insurance laws will serve to restrict and not to enlarge the field of group life coverage, for in these states the group writing companies exercise a great deal of freedom, some of which will be taken away by the adoption of the proposed definition.

Submission Not Covered

The suggested standard provisions are silent as to submission and approval of policy forms. This point is to be covered by the particular state in conformity with its general insurance laws relative to the submission of policy forms. The standard provision relative to the grace period has been revised to require that the employee be covered during this grace period if the insurance is to be continued and the grace period generally has been revised so as to fit group life insurance.

Since it was suggested at the Chicago meeting that the incontestable clause does not fit group life insurance, standard provision 2 retains the incontestable clause revised so as to recognize clearly the distinction between contesting of validity of the master group policy and contesting the validity of the insurance thereunder of an insured person.

The standard provision as to what constitutes the contract has been revised to require the application of the policyholder to be attached to the policy. Obviously it is not feasible to require the hundreds or the thousands of individual applications to be attached.

Revised standard provision 5 permits only an equitable adjustment of premiums except where there is an age schedule in the policy (where benefits are reduced at, say, age 65) in which event

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Abjures Having Prudential Take Political Stand

Shanks Tells Agents He Is Against Marshaling the Policyholders

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NEWARK—For the first time in five years Prudential held its full-scale, three-day business conference, opening with a general session at the home office and culminating with the banquet at New York. Attended by managers of ordinary agencies, superintendents of industrial offices, group representatives and home office representatives, the convention opened in a gala mood. It was the first appearance of C. M. Shanks in his recently bestowed role of president and he was given a real ovation when Chairman Franklin D'Olier introduced him.

Col. D'Olier opened the meeting, but kept his remarks quite brief, leaving to President Shanks the general review of the company's operations. No spellbinder, Mr. Shanks quickly made an excellent impression with his sincere and forthright presentation. Tracing the company's activities during the last five years, he touched on various problems, such as low interest rates, the scarcity of investments, the company's foresight in strengthening reserves, efforts to get the company to take a political stand, public relations, and discriminatory premium taxes.

Has Largest Mortgage Account

Mr. Shanks said that Prudential now has the largest mortgage loan account of any life company and the largest of any investing institution in the country. Even so, it has only 15.9% of assets in mortgages as against 25% in 1935 and the same percentage in 1940. The company is trying hard to keep up the ratio of mortgages but it is a difficult problem, with building curtailed and payoffs among mortgagors increased.

Regarding the strengthening of reserves, Mr. Shanks said Prudential has put \$362 million into this, "and it will stand us in good stead in the years to come." Mentioning Prudential's size, he said it was not possible for such a company to consider only itself in its decisions but that it must consider what is in the interest of the public as well. In the long run the two will nearly always coincide, he said.

Adds to Inflation

As an example, he mentioned interest rates, which have been artificially depressed by the government to aid its financing. Not only does the low interest level keep insurance dividends down but it adds to inflation. Thus the citizen who saves perhaps \$2 on his share of financing the federal debt because interest rates are low has to pay \$40 for \$20 worth of groceries and \$90 for a \$40 suit.

At the same time he said the company should resist efforts to get it into politics to promote its views as some have suggested, marshal its policyholders against the government's low interest rate policy. He said it is up to the people to decide the framework in which we are to operate and "by sticking to our last we'll do a pretty good job." Also, wielding political influence is fine when you are winning but you can't always win and when you lose there are likely to be reprisals.

Mr. Shanks discussed in some detail Prudential's suits against discriminatory premium tax laws in 15 states. He remarked that the South Carolina case was being argued that day in the U. S. Su-

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Actuarial Society Opens Its Doors

President E. W. Marshall of Actuarial Society of America announces that the council of the society has changed a long standing precedent so that meetings will be open to accredited press representatives.

A press committee is in process of formation and will have charge of arrangements for co-operation with the press. The chairman is Richard C. Guest, vice-president and actuary of State Mutual Life.

The next meeting of the society is May 20-21 at Hotel Pennsylvania, New York City.

Actuarial Society has been just about the only life insurance organization in the country that has continued to hold completely executive sessions. The American Institute of Actuaries has opened its sessions to the press, but semi-annually when it meets in joint session with the Actuarial Society, those meetings have been closed.



E. W. Marshall

Craig Protests Radio Pact

NASHVILLE—As chairman of the Clear Channel Broadcasting Service and head of the organization owning radio station WSM, Edwin W. Craig, president of National Life & Accident, has denounced as "deplorable" a pact signed by the United States with Cuba granting concessions in allowing use of wave lengths in broadcasting adversely affecting five clear channel stations in the United States, one of them WSM.

Much Optimism at All Industry French Lick Rally

FRENCH LICK, IND.—About 60 are here for the meeting here this week of the all industry committee with the drafting committee of the National Association of Insurance Commissioners. The subcommittees are continually in session and there is much optimism as to the outcome. There seems to be an indication that all hands are coming much closer to a harmonious solution of the rate legislation problem.

It now seems unlikely that there will be a meeting of the N.A.I.C. executive committee prior to the Portland annual convention in June.

Superintendent Dineen of New York flew back to New York to address a meeting of the insurance section of the American Management Association Wednesday, and then he is returning here by plane.

A statement is to be issued Friday. Commissioners on hand include McCormack, Tennessee; Thompson, Oregon; Harrington, Massachusetts; Dineen, and Deputy Bollinger of New York; Allyn, Connecticut; Forbes, Michigan; Pearson, Indiana; Parkinson and Marion Burks of Illinois and Johnson and Assistant Attorney General Green of Minnesota.

Rumor Hannegan to Head Life Company in Missouri

Nate Gross, Chicago theatrical columnist who also conducts a radio period Sunday evenings for Illinois Commercial Men's Association, this past Sunday stated that the reports are increasing that Robert E. Hannegan is to resign as Postmaster General and he says there is a report that he will become president of a Missouri life insurance company.

Grass Roots Survey of Insurance Education Launched

U. of Pennsylvania Undertakes to Take Census of Facilities

Under sponsorship of the Insurance Institute of America, the business school of the University of Pennsylvania is undertaking what is termed a grass-roots survey of all forms of insurance education, other than that given in colleges and universities.

The survey is to be completed June 30, according to President James A. McLain, who is president of Guardian Life. Its objective is "a realistic working inventory that will include every phase of insurance education and training now available through the country's more than 2,000 insurance companies, associations and societies of insurance men and women, and the commercial publishers of insurance educational material."

The Institute wants to know what is being taught, how it is being taught, and to whom it is being taught. "With this information," Mr. McLain said, "the Institute will be in a position to recommend ways and means of meeting needs for new or revised training procedures and material indicated by post-war developments in the insurance business."

Value of the Survey

When completed and evaluated, the survey will also make it possible for the Institute to advise as to duplications and inconsistencies in the over-all training program. "Duplications are expensive and inconsistencies make for poor policyholder relations," Mr. McLain said, adding that accurate data on these two factors, alone, "should return several times the cost of the survey in direct savings to the companies and in smoother, more efficient relations with policyholders."

Procedures for this survey are being worked out by Maj. Richard deR. Kip, former faculty member of the Pennsylvania business school, who has just returned from army service. He was instructor in insurance and finance at Shrivensham American University in England. He will work directly with Drs. Huebner, Hoffman, Loman and McCahan of Pennsylvania.

Negotiations with the school have been directed by John H. Grady, U. S. attorney General Accident; Edward H. Kingsbury, Royal-Liverpool; John A. North, Phoenix of Hartford; Prentiss B. Reed, independent adjuster; and Mr. McLain.

What Will Be Surveyed

Mr. McLain said educational and training activities of all types of insurers and their associations will be considered.

An effort will be made to canvass every association and every company of any size. A combination of personal interviews and questionnaires will be used.

The survey will be factual, with emphasis on quantitative rather than qualitative aspects.

The identity of companies contributing data will be held in confidence.

Results will be summarized in a printed manuscript, with tables and charts.

The school will make no specific recommendations as to the program which the Institute or any other organization or insurance company should adopt.

Copies of findings and results will be extensively distributed without charge.

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54, 55, 56 Years Insured

This policyholder was a native of the West Coast, born in 1858, who insured in 1890, bought another policy in 1891, still another in 1892. The first was for \$5,000, the second for \$2,500, the third for \$5,000. In each case it was an Ordinary Life, with dividends to accumulate at interest.

He remained insured for 56, 55, 54 years, and died of heart trouble in 1945. His beneficiaries were paid \$29,882.16.

The 1890 policy for \$5,000 paid \$12,113.38, of which \$7,113.38 represented accumulated dividends plus interest.

The 1891 policy for \$2,500 paid \$5,960.07, of which \$3,460.07 represented accumulated dividends plus interest.

The 1892 policy for \$5,000 paid \$11,808.71, of which \$6,808.71 represented accumulated dividends plus interest.

During the years this lawyer was insured, he paid a total of \$16,746.90 in premiums, for which he was insured for \$12,500. What his beneficiaries actually received, however, was a total of \$29,882.16. Of this sum, \$17,382.16 was the accumulated dividends and interest, which "extra money" alone was \$635.26 more than the premiums paid, or \$4,882.16 more than the face amount of the insurance. The net proceeds paid to the beneficiaries was \$13,135.26 more than the premiums paid.

* * *

THE PENN MUTUAL LIFE INSURANCE CO.

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

Cash Sickness Bill Is Debated in New Jersey

**Albert Pike, Jr.,
Strongly Warns Against
Rhode Island Pattern**

TRENTON—The hearing on the New Jersey cash sickness benefit proposal developed considerable sentiment in favor of having insurance for all but there was little tendency to hold out for a state plan if voluntary plans could furnish the same coverage. The proposal under consideration would divert the 1% unemployment insurance tax now imposed on employees and have it finance cash sickness benefits. A novel amendment to this proposal, offered by the American Federation of Labor,

would enact a law at once diverting the 1% tax and wait until later to enact a law specifying benefits and other details.

About 75 persons were on hand, including representatives Life Insurance Association of America, New Jersey State Chamber of Commerce, New Jersey Manufacturers Association, New Jersey Medical Society, and League of Women Voters.

Albert Pike, Jr., actuary of L.I.A., said the proposal follows the unsatisfactory Rhode Island pattern and that legislation if enacted, should encourage the voluntary plans. Payments under the Rhode Island plans have recently been greater than income and the fund may soon be bankrupt, he said.

Financing Vacations

Two things have been happening in Rhode Island and could happen under the New Jersey proposal, said Mr. Pike: Claims skyrocket in summer indicating that many employees take vacations at the sickness fund's expense, a situation practically impossible to control under a state plan which shuts the employer out of the administration of the program. The second situation is that a large part of those claiming benefits fail to substantiate their right to continued benefits when the state makes its routine checkup.

Mr. Pike said the New Jersey plan would force out of existence most existing plans, especially those calling for continuing salaries in full during disability. It provides that any person benefited by a plan of salary continuation is penalized by loss of the state plan's benefits even though he had paid taxes. Yet absence of this penalty would enable an employee to get more while sick than while working. This is bad and helps make the claim rate high in Rhode Island.

Other Objections

Other objections listed by Mr. Pike were: The proposal bases compensation on the employee's entire wage history whereas it is desirable to base the benefit on the rate of pay at the beginning of the illness; the provision for private plans in the proposed measure is probably impracticable. He suggested requiring covered employers, if a law is felt to be desirable, to provide for their employees, who would share the cost, a plan of nonoccupational coverage either insured or self-insured or merely as payments out of payroll, if the employer wants to assume the entire cost. It should also provide for sick benefits to those on unemployment compensation rolls by changing the "availability for work" requirement along the lines of the modification in the unemployment compensation laws of several states, such as Maryland.

The state chamber of commerce's representative expressed views similar to Mr. Pike's.

Group Insurers Praised for Cooperation with Army

Maj. Gen. W. H. Kasten has written to the life companies an expression of appreciation for their assistance in formulating, developing and applying the War Department group insurance plan to policies of the department's cost-plus-a-fixed-fee contractors. The letter was addressed to C. Manton Eddy, vice-president and secretary of Connecticut General, in view of the fact that Mr. Eddy acted as the medium of liaison between the War Department and the interested insurers. Maj. Gen. Kasten said that the War Department appreciates the ready cooperation of the companies and the fine results that inured therefrom.

Eugene P. Locke, 62, insurance lawyer and a director of Equitable Society, died suddenly in Dallas.

United Medical Service of New York City has amended its policy to cover the expenses of minor surgical operations performed in a doctor's office. This was done because of the shortage of hospital accommodations.

See to Make Speaking Tour of Western Canada

ST. LOUIS—Frank M. See, St. Louis general agent of New England Mutual



Frank M. See

Life, on invitation from the Life Underwriters Association of Canada, will be the principal speaker at a number of sales meetings of local associations in western Canada.

He will be accompanied on the tour by P. M. Monahan, Canada Life, Toronto, president, and A. Gordon Nairn, field supervisor of the Canadian association.

Another prominent life man from the United States will speak at a number of similar meetings in eastern Canada and Newfoundland.

Mr. See's itinerary will include Fort William, Winnipeg, Saskatoon, Edmonton, Jasper National Park, Victoria, Vancouver, Calgary, Regina and Trails.

S. C. Agents May Qualify for Group Coverage

A group life and hospital insurance plan underwritten by Pilot Life of Greensboro will be put into effect March 15 for members and their employees, of the South Carolina Association of Insurance Agents if by that time 50% of the member agencies have signed up.

The Virginia Association of Insurance Agents has a similar group plan with Life of Virginia.

The group life coverage terminates if the agency discontinues its membership and in respect of an individual employee, if he leaves the agency.

Double indemnity benefits are provided and the principal sum is paid in event of dismemberment. Hospital charges are provided at the rate of \$6 a day for proprietors, \$5 a day for employees and \$4 for dependents. There is a surgical schedule with \$150 maximum for proprietor, \$100 for employee and \$75 for dependent, and there is coverage for hospital extra charges up to \$30 for proprietor, \$25 for employee and \$20 for dependent.

Premium Waiver

Waiver of premium benefits are given for life insurance. The amount of life coverage for the proprietor is \$5,000 and for the employee \$1,000. The premium for life insurance is 96 cents per \$1,000 for the first six months. Thereafter the rate will be computed upon the age of those in the group. An employee of an agent cannot be required to pay more than 60 cents per month for the life insurance.

The hospitalization rate for a single proprietor is \$1.05 a month, for an employee it is 95 cents, for husband and wife, \$1.50 and for wife or husband and children it is \$1.75.

Maternity benefits in a maximum lump sum of \$50 are provided.

Hardwig Medical Director of Lutheran Mutual

Dr. C. H. Groening has retired as medical director of Lutheran Mutual Life after 47 years' service and Dr. O. C. Hardwig has been appointed the successor. The latter is the son of O. Hardwig, former president of the company; was graduated from Wartburg College in 1926 and received the M.D. at University of Iowa in 1933. He interned and was resident surgeon at Cleveland city hospital and then practiced in his home town, Waverly, Ia. Dr. Hardwig is a surgeon.

Dr. Groening is a practicing physician of Waverly, and former city health officer and coroner.

Equitable Writes Unusual Group Case

Solicitors of Buckeye Union Casualty Agencies Offered Coverage

Buckeye Union Casualty of Columbus, which has had a group life contract with Equitable Society for its agents since 1940, has announced that the plan has been broadened to include solicitors of its agencies. Buckeye Union states that this is the first time such a plan has ever been offered to solicitors and also that its original group contract was the first ever offered by a casualty company to its agents.

The plan is on the contributory basis, at the usual rate of 60 cents per month per \$1,000 to the individual insured, regardless of age, with Buckeye Union Casualty paying any difference in premium. It is offered to solicitors of all agencies which write \$10,000 net premiums or more in Buckeye Union Casualty for the preceding calendar year. If any agency writes less than \$10,000 now, it may qualify its solicitors automatically as soon as it reaches the \$10,000 mark.

Eligibility of Solicitors

Any solicitor of an eligible agency who is actively at work and who has produced at least \$1,000 in premiums during the previous calendar year is eligible. No medical examination is required if the solicitor subscribes for the insurance within 31 days following the date of his eligibility. If he enters subsequently, a medical statement satisfactory to Equitable Society must be submitted.

The plan requires that 75% of the eligible solicitors must subscribe for the insurance.

Sliding Scale of Amounts

The minimum amount of insurance is \$500, for which a solicitor less than 65 years old and producing between \$1,000 and \$2,000 annual premiums is eligible. In the \$2,000-\$3,000 bracket, the amount of insurance is \$1,000. If production is from \$3,000 to \$4,000, there is \$1,500 insurance and for \$4,000 premiums and over, the solicitor may receive \$2,000 life insurance.

The plan provides that the amount of each solicitor's insurance shall be determined as of March 15 of each year. If the solicitor's premium production drops below \$1,000, the plan provides that \$500 insurance will be continued for one year, but will be discontinued if production is below \$1,000 for the second successive year.

If the solicitor is over 65, he is eligible for \$500 insurance if his premium production is \$3,000, and \$1,000 insurance if his production is over \$4,000.

The plan contains the usual provisions for conversion without medical examination if the solicitor's connection with a Buckeye Union agency is terminated and if application is made within 31 days, and also includes freedom of choice in selection of beneficiaries and in changing of beneficiaries. It is reported that the plan has been received enthusiastically by solicitors of Buckeye Union agencies.

Solicitors of fire and casualty insurance are usually compensated on a straight commission basis. They differ from brokers in that they are restricted to writing business for the agency with which they are affiliated.

Rivers Wins Union Central Trophy

CINCINNATI—J. W. Rivers, Oklahoma City manager, won the Jerome Clark trophy of Union Central, which was awarded for the first time this year in recognition of exceptional agency management for 1945. It goes to the agency that shows the most marked development. It is in memory of the former agency vice-president. Paul Hommeyer, Minneapolis, was runner-up.



★ **LESLIEW. DUNSTALL,**
SECRETARY OF THE CANADIAN ASSOCIATION OF LIFE UNDERWRITERS, SPENT TWO DAYS WITH US LAST WEEK.

THE CANADIAN ASSOCIATION has always been a well-organized body, working in close harmony with the companies. It has played an important role in lifting the standards in the field, especially so far as the more careful licensing of agents is concerned. The Canadian C. L. U. program is not managed by a separate organization as is the case with us, but is under the direction of the Association.

THE FRENCH EDITION of R & R's "Introduction to Life Underwriting" is almost complete. A plan is now being considered to edit our Business Insurance Course from the Canadian viewpoint for use in the C. L. U. program. Methods of still further extending the use of R & R material are in process of development.

WE ARE GLAD TO COOPERATE IN ANY WAY WE CAN WITH THE CANADIAN ASSOCIATION IN ITS EFFORTS TO RENDER THE MEMBERSHIP THE UTMOST IN SERVICE.



PAUL SPEICHER
Managing Editor

**THE INSURANCE
RESEARCH & REVIEW SERVICE
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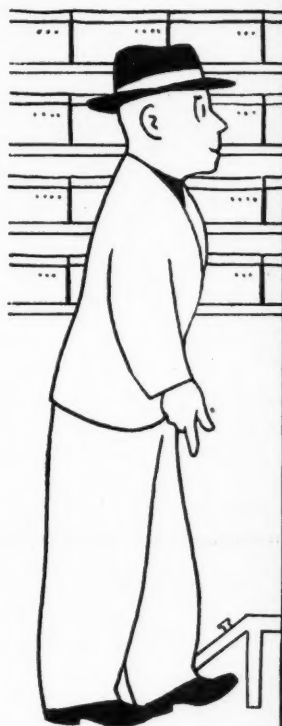
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I want another pair
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No, they're
too much like
the ones I'm wearing.



YES! In shopping for shoes—or an insurance policy to fill their needs—men and women have different buying ideas. That's why your approach to women should be planned especially for them.

LADIES' HOME *Journal*

THE MAGAZINE WOMEN BELIEVE IN

Bill to Ease N.S.L.I. Provisions Believed Due to Pass Soon

It is very likely that the Johnson-Rankin bill in Congress—senate 1677—which has been approved by the war and navy departments and is backed by Gen. Omar Bradley, head of the Veterans Administration, to liberalize provisions and rules relating to national service life insurance will be passed, Don F. Barnes, director of veterans affairs of the National Association of Life Underwriters told a seminar on N.S.L.I. in Chicago sponsored by the Chicago association. It appeared the bill would come up for action either this week or next.

This bill will end many of the objections to the government insurance that have helped to cause a heavy lapse rate since V-J Day, he said. It adds 20 year endowment and endowments at 60 and 65 to the permanent forms to which veterans can convert from the present term policy, and does away with all restrictions on beneficiaries so the veteran can select anyone he wishes who has an insurable interest in him, as contrasted to the present strict limitation to blood relatives.

The bill also will authorize four optional modes of settlement: (1) lump

sum; (2) limited instalments in equal monthly instalments of from 36 to 240; (3) equal monthly instalments, 120 months certain (the current option 1), and (4) a refund life income (the present option 2).

It also contains the provision for a lump sum settlement and that only the insured may elect a lump sum settlement, thus his beneficiary would be guarded against temptation to dissipate the policy proceeds. It sets up a plan under which a total disability income benefit of \$5 per month per \$1,000 could be secured at an extra premium which would be prescribed by the V.A. administrator. Mr. Barnes said it is understood this premium will be actuarially sound. Finally it would make N.S.L.I. definitely incontestable except for fraud.

Mr. Barnes said this is a sound, constructive bill which will benefit the veteran and will not raid the Treasury. It will do what good insurance should do, and it is the kind of bill that would have been written for Congress to consider if the life insurance men had been given the assignment. He expects that it will be in force within 60 days.

Running Off Fast

Mr. Barnes said that at the top N.S.L.I. totaled about \$143 billion on 16 million lives but in the last four months of 1945 about \$29 billion lapsed and now the total is down to about \$96 billion on some 13 million lives. There

has been improvement, however, for of those coming out of the service now 30% are retaining their N.S.L.I., as compared to about 20% last July. He said Gen. Bradley believes this is due to the fact that there is a conservation plan now being carried out. This means, Mr. Barnes said, that about \$15 billion of insurance has been saved.

He discussed the difference between regular life insurance and N.S.L.I., pointing out the dangers of retroactive conversion from term to permanent form, especially in the cases of younger policyholders. They don't save any money on the deal, he said, and they have to put up a great deal of money. If the veteran has extra money, he said, the chances are he needs additional insurance protection, and this the life insurance agent should recommend.

Instructions On Payments

Mr. Barnes said a great deal of confusion is being caused by premium remittances being sent to V.A. without proper identification. After discharge the veteran should send his premiums to the collections subdivision of V.A. at 346 Broadway, New York City 13, New York. The N.S.L.I. certificate number should be written on the face of the check or a letter sent containing all the facts including name and address and serial number of the veteran, date of discharge, date of birth, and so forth. Mr. Barnes said V.A. will accept advance premium payments which are discounted at 3%, without limit on the number of payments that can be made at one time, and the veteran also can pay on the basis of an annual premium at a saving of the same 3% discount.

Beneficiary and Judgment Debtor Protected Even with Right of Withdrawal

NEW YORK—Reversing the lower courts, the court of appeals of New York has held that the spendthrift trust clause (section 15 of the personal property law) protects the proceeds of a life insurance policy left under a settlement option even though the beneficiary who is the judgment debtor has the right to withdraw the entire proceeds.

Before this decision, it was not entirely certain that the right to withdraw the proceeds would not invalidate the protection of section 15, even though the settlement option agreement specifically provided that the proceeds should have the protection of this section.

The case was that of Genesee Valley Trust Co. against Mrs. Hannah Glazer. The New York State Association of Life Underwriters filed a brief as amicus curiae through its counsel, Albert Hirst, in support of Mrs. Glazer's position.

In 1934 Hannah Glazer was indebted to Genesee Valley Trust for \$1,812 by reason of a judgment rendered in an action upon a promissory note signed by her and by her husband, Abraham A. Glazer, as comakers. While that judgment remained unpaid Mr. Glazer died and there became payable a \$10,000 policy on his life by Equitable Society.

The payment of the guaranteed interest on the fund thus created under the option selected was subject to the provision that on interest due dates the assured's widow "may elect to withdraw all or any part of the amount then remaining on deposit with the society but no partial withdrawal may be made for less than one hundred dollars." The policy and a certificate of deposit issued by Equitable also provide that, "In accordance with written request it is hereby agreed, except so far as may be contrary to the laws of any state having jurisdiction in the premises that a beneficiary hereunder shall have no right to assign, transfer, hypothecate, encumber, commute or anticipate such beneficiary's interest in any benefits or payments under this beneficiary provision unless otherwise provided herein and that all benefits and payments under this beneficiary provision shall not in any way be subject to any legal process to levy upon or attach the same for

Cont. Assurance Announces Housing Project in Illinois

Continental Assurance has purchased a 123-acre tract at Elgin, Ill., for a housing project, to get under way immediately according to Roy Tuchbreiter, president. Two hundred homes to range in price from \$8,000 to \$9,000 with all improvements are to be completed in the initial stage, with 400 to be built later to complete 600 in all.

Impetus for this particular project came from Governor Green, who urged Continental, as one of Illinois' leading financial institutions, to spearhead a movement to get life companies to lend active support to the effort to relieve the housing shortage for returning veterans. All details about the project will shortly be submitted to Insurance Director Parkinson for final approval.

The governor's statement read: "While I propose that the state administration shall do everything in its power to provide a prompt and effective solution to the acute housing shortage which exists in Illinois and is causing such hardship to returning veterans, I realize that the situation will only be solved when private enterprise is enabled to build the permanent homes the people want.

Real Public Service

"There has, as you know, been much discussion of the possibility of insurance companies investing their funds in the building of private homes. Certainly if such projects can provide a sound investment of insurance funds, they would constitute a real public service. Therefore, I would like to ask you, as the head of one of the largest financial institutions in the state, to explore the possibility of what might be done along this line."

The project in Elgin is the result of our investigation at the governor's request, said Mr. Tuchbreiter. "In providing homes for sale at this time we perform a public service, and in addition as fiduciaries for the funds of our policyholders we establish a sound investment in the mortgages."

Mark Up Not Necessary

"It is also evident," Mr. Tuchbreiter added, "that the usual housing project mark up in prices will not be necessary since our purpose is a reasonable return on capital investment rather than an immediate profit. This means the lowest possible cost consistent with sound construction."

"Selection of Elgin as the site of the first of several projects under consideration," he said, "reflects the company's opinion that Elgin and the Fox River valley have an especially bright industrial future not yet given full recognition."

Possibility of a development in or on the outskirts of Chicago is being explored by Mr. Tuchbreiter at the request of Gov. Green. He will examine the situation with a view to reporting to the governor on what legislation by the state would be required to expedite building developments.

Mills & Sons, well known contractors and real estate experts, have been engaged to build the Elgin houses.

payment of any claim against any beneficiary."

The court concluded that the ruling which led to the order of the lower court thwarted the legislative purpose expressed in section 15 of the personal property law. That statute provides in part that " * * * when the proceeds of a life insurance policy, becoming a claim by death of the insured, are left with the insurance company under a trust or other agreement, the benefits accruing thereunder after the death of the insured shall not be transferable, nor subject to commutation or incumbrance, nor to legal process except in an action to recover for necessities, if the parties to the trust or other agreement so agree."

The COMMONWEALTH Commentary

THE RED CROSS

It is entirely fitting that we pause in this, the midst of the annual national subscription campaign of the American Red Cross, to consider in the light of our own knowledge of emergency values, the high cause for which the Red Cross operates, and the great humanitarian interests which it serves.

We of the life insurance industry have said many times in stressing our own product, that no man can foretell the future. To a certain extent our industry is predicated on that philosophy. Yet, lest we lose sight of the whole picture, we should recognize that the Red Cross provides refuge from the uncertainties of the future for those unprepared to meet them, and more, provides succor in the present for the unfortunate victims of past disasters.

Our debt, indeed the debt of all the world to the international Red Cross organizations, cannot be assayed. Except that we remember when the harsh lines of war were lifted when needed, when helpless individuals were aided through the cross-fire of conflict, when rescue from natural disasters was made available, that debt shall remain unnoticed. Our support and contributions now, say that we do remember.

COMMONWEALTH
LIFE INSURANCE COMPANY
LOUISVILLE • MORTON BOYD, President

WESTERN and SOUTHERN REPORTS TO ITS 3,516,363 POLICYHOLDERS



58th FINANCIAL STATEMENT

December 31, 1945

ASSETS

United States Government Bonds	\$179,827,200.00
Municipal and Corporation Bonds	4,908,378.20
Preferred Stocks	24,095,938.00
Mortgage Loans	57,971,934.70
Ground Rents	8,981,831.03
Real Estates	
City and Home Office Property	6,077,607.74
Property Sold on Contract	1,465,264.14
Policy Loans	5,835,416.77
Cash on Deposit in Banks	2,439,126.97
Accrued Interest and Rents	2,404,650.99
Due and Deferred Premiums	2,975,829.22
TOTAL ADMITTED ASSETS	\$296,983,177.76

LIABILITIES

Reserves on Outstanding Policies	\$250,253,162.00
Contracts for Instalment Payments under Matured Policies	830,709.96
Policy Claims in Process of Settlement	396,271.76
Death Losses Unreported (Estimated)	785,000.00
Premiums and Interest Paid in Advance	1,676,787.58
Accrued Taxes and Expenses Incurred	2,027,516.01
Escrow Accounts and Unallocated Funds	657,101.27
Other Liabilities	246,644.10
Capital and Surplus	40,109,985.08
TOTAL LIABILITIES	\$296,983,177.76

INCREASE IN ASSETS	\$ 26,955,160.23
TOTAL ASSETS	296,983,177.76
INCREASE IN INSURANCE IN FORCE	116,435,188.00
TOTAL INSURANCE IN FORCE	1,518,507,682.00

3,516,363 POLICIES IN FORCE



THE outstanding financial strength and stability revealed by this Annual Statement stands as a solid assurance of protection for Western & Southern families, whatever the future may hold in store . . . Like similar statements in the past, it amply justifies the faith and confidence which millions of policyholders place in Western & Southern—one of the great insurance companies of America.

We solemnly pledge to continue in the future the same sound, far-sighted management which has distinguished the company in the past. This management, together with a wide variety of policies meeting every individual need, makes Western & Southern a logical choice for safeguarding the future of those near and dear to you.

William W. Williams PRESIDENT

THE WESTERN and SOUTHERN LIFE INSURANCE COMPANY

HOME OFFICE: CINCINNATI 2, OHIO

...real pay dirt

If you're satisfied with bread 'n butter wages stick to surface prospecting...but if you want to get down to real pay dirt let Continental Assurance help you *DIG*. Our facilities include tools for every purpose...par and non-par, standard and sub-standard, juvenile and annuities, group, wholesale, salary-savings, A&H...including Income Indemnity...plus a practical knowledge of *where* and *how* to dig for business. Will you let us prove it?

One of America's Largest, Strongest
Life Insurance Institutions

Continental

ASSURANCE COMPANY

CHICAGO, ILLINOIS

Affiliates:

CONTINENTAL CASUALTY COMPANY
TRANSPORTATION INSURANCE COMPANY

Todd Agency Has Annual Congress

Details and use of the Northwestern Mutual's new "planned incomes" sales method and material were presented at the annual congress of the John O. Todd agency of that company in Chicago by L. J. Evans, assistant director of agencies at the home office, and J. R. Guy of the McMillen agency, New York city.

A. R. Jaqua, director of the life insurance marketing course at Purdue University, Lafayette, Ind.; his assistant, Halbert Nutt; Grant L. Hill, director of agencies, and E. G. Fassel, the company's actuary, were guests.

"Planned incomes" was announced not long ago at Northwestern Mutual's conference in New York. It is similar to the minimum income approaches and presentations used by other companies. Mr. Guy helped to develop and field test it. Mr. Todd commented that the plan has appeal, especially to a "gad-geteer."

Actuary Fassel Comments

Actuary Fassel gave interesting high lights on the Northwestern Mutual's year, noting the gain of insurance in force in 1945 was greater than at any time in the last 25 years and another record is expected in 1946. The dividend apportionment of \$38 million represents only two-thirds of the gains in the year, he said. Mortality is the best since 1927 despite the war mortality and heavy losses of the battle of the Belgian bulge.

Northwestern Mutual, he said, entered the war with no restriction in its policy and put a war clause in new issue only when selective service went into effect. Over the four years of war the company's war losses were only a little over \$8 million of the \$178 million of total claims. As compared to this, he said, the company at the same time paid \$128 million in dividends. The war experience was no worse than the depression experience, he said.

Mr. Fassel especially commented on the interest picture, saying the life insurance home office view of the normal interest rate today must be considered to be about 1% below the regular normal on account of the government being in the field. The government has learned in depression how to manipulate things, how to manage currency and control financing. A powerful factor also is the \$275 billion of war debts.

Compares Financing Cost

He noted that the other war was financed at 4%, which was considered reasonable interest at the time, and this last war at around 2%. This great public debt and the interest charge for servicing it will remain, he believes, as long as some of those who attended the congress are living.

Mr. Fassel also commented that the Northwestern's 1945 lapse rate was at an all-time low point. He said many companies expect to lose 20% of their new business each year, and even at the best, 10%, but Northwestern Mutual's 1945 lapse rate was only about 3%. In the period 1924-1929 it was only 7%, then it rose during the depression years, but in 1941 was again back to 7%, in 1942 was 6%, 1943, 5% and 1944, 3%. This demonstrates that very effective conservation work is being done. The average new policy was \$5,500 and the average in force about \$4,000.

A feature of the banquet was the presence of the five Vails. These included Malcolm D. Vail, Sr., and his sons M. D., Jr., and Henry S. 2nd, and also Roger Vail and his brother H. Bloss, sons of the late Roger S. Vail, brother of M. D., Sr. M. D., Sr., as the head of H. S. Vail & Sons, for many years has been a million dollar writer. Roger is with the Todd agency and attending the Purdue life course following war service. Bloss Vail just returned from service and is entering the life insurance business. This is a notable life insurance dynasty.

Grant Hill spoke briefly, saying 1946

probably will be a banner year in life insurance sales, which are increasing steadily as agents and buyers come back from war service. "Anyone who is not going to town now in life insurance selling is just not trying," he concluded. Mr. Todd said that in use of the minimum income selling method the fact-finding interview is an important preliminary step but any one could be taught to do this. The really important thing is what the agent does with facts once they have been secured. He said life insurance properly applied is the financial salvation of the nation and it is the life agent's duty to see that it is so applied.

Production prizes were awarded by Mr. Todd, two framed Audubon prints going to John S. Murphy, former production manager of the agency who now is devoting himself entirely to personal production. Francis Morley won the volume prize on points and Mr. Murphy was leader in number of lives.

Sees Mass Selling Trend

Mr. Jaqua especially commented on the trend toward mass selling. He expects before long from 25 to 40% of the ordinary life insurance will be sold in this country by that method. "There will be a lot of it and you might as well cash in on it," he said. Mr. Jaqua also expects that national new life insurance sales before long will rise to \$20 billion annually. "Everything points to an upward trend," he said. "However, poor vision could stop it. Life insurance is the only means by which a man who wants to do something for his family can be sure of doing it."

Persons Takes Over Vermillion Agency

Henry W. Persons has succeeded the late Gifford T. Vermillion as manager



Henry W. Persons

of the Vermillion agency in Chicago for Mutual Life of New York, and hereafter it will be known as the Persons agency. Mr. Persons has been a manager of Mutual Life in Chicago since the spring of 1945. He joined Mutual Life in 1934 as an agent in Covina, Calif., and became quickly successful and a member of the company's National Field Club. In 1937, he was named district manager for the Los Angeles agency, and Jan. 1, 1941, was appointed to assist in the recruiting and training of new representatives in that agency. He went to the home office Oct. 1, 1943, as a training assistant, and was appointed manager of a new agency in Chicago in May, 1945.

A. E. Patterson, formerly of Chicago, now executive vice-president, attended the installation ceremonies at a luncheon Wednesday which was attended by the company agents in the Chicago area. Vice-president Julian S. Myrick also attended. Mr. Patterson said the post-war future holds increased opportunities for the life insurance industry. In February, he said, Mutual Life's new production increased 52% over the same month last year, and the increase for the five Chicago agencies was 60%.

He urged the agents to continue to advise returned veterans to keep their government life insurance in force, adding that this service was beginning to bear fruit because veterans now being discharged are continuing their government life insurance at the rate of one out of three, while of all those discharged to date, only one out of five is holding his insurance.

Louis T. Bates, manager of New York Life, addressed the Atlanta chapter of the National Office Management Association on "Human Relations as Applied to the Office."

GROWTH

as reflected in our Annual Statement as of Dec. 31, 1945



INSURANCE IN FORCE - \$112,035,000

INCREASE - - - - - 37,271,000

ADMITTED ASSETS - - 16,852,596

INCREASE - - - - - 2,938,259

CAPITAL & SURPLUS - - 1,010,000

INCREASE - - - - - 210,000



RESERVE LOAN LIFE

INSURANCE COMPANY

WALTER T. O'DONOHUE, President

DALLAS, 2 TEXAS

Burden of Helping Conserve NSLI Falls Hard on Debit Men

The debit man will bear most of the brunt of the task of informing and advising returning service men about their National Service Life Insurance, Carlton W. Cox, manager of Metropolitan Life at Paterson, N. J., declared in a panel on veterans affairs at the Saturday sales forum conducted by the Chicago Association of Life Underwriters. The debit man is having this problem dumped in his lap because the big majority of the veterans are not of the white collar class and the debit man will encounter them and their questions about N.S.L.I. on his daily rounds. If these young fellows bought any insurance before the war, he said, it probably was 20 year endowment, for that is the only kind most young men want to buy, and now it is found they cannot yet change their N.S.L.I. term insurance to that form. There will be a problem there for life men to solve. Many before the war had no idea of buying life insurance, for their incomes would not permit. To them,

\$1,000 or \$2,000 of life insurance seems a very large sum.

Better Understanding

Mr. Cox's principal theme was the steady dissolving of the line of sharp demarcation between ordinary life agents and debit men which has existed for so many years. The debit man used to be considered a peculiar species from a different world, he said, but this attitude now is a thing of the past. He credited the life underwriters association movement with bringing better understanding.

Mr. Cox noted the "home service" function of the debit man which has caused him to grow in stature. "There is a service relationship with his policyholders throughout his daily work," he said. "He is today something more than a mere collector."

The debit man has learned that life insurance selling is most effective in the evening. This has been forced on him because he must make his collections in the day time. Much of his new business, especially ordinary, must be sold at night. The person of primary importance in the family is its head, the wage earner, and generally he can be seen only at night. The debit man has found that a sale made with the whole family present is much more apt to persist, whether

the application is on the father's life or that of a member of the family.

Debit men today, Mr. Cox said, use visual aids to their selling. A much smoother presentation of the sales talk results.

Using Modern Methods

Metropolitan carefully selects and trains its debit men. "We consider the training of our new men the most important job in the field," he said. "We owe this to the insuring public; they are entitled to efficient and intelligent service from competent men. We also have a definite obligation to the new man who has chosen the field of life insurance for a career. We seek only career life underwriters for our company. Why not do everything possible to put them safely on the road towards that career? We have a selfish motive; we want successful men because only successful men will spell success for us."

Great Opportunity for Service

He said the opportunity presented for service and sales in connection with N.S.L.I. in the next two years is a great one and represents a tremendous responsibility to the debit man as well as ordinary agents. It is a real selling job that the agents must do to help the government keep N.S.L.I. in force, Mr. Cox

said. The agents owe it to the returning veterans to do everything within their power to keep them from lapsing their government insurance. "Let it never be said of us in the years to come that we talked our returning veterans out of a bargain in life insurance," he concluded.

Penn Mutual Regains Oldest Statue of William Penn



The oldest American-made statue of William Penn has now returned to its original owners, Penn Mutual Life, who in 1851 had had it sculptured by D. H. Headman to stand over the doorway of the home office at Third and Dock streets.

The statue was left in place when the company moved to larger quarters in 1860, and the present owner of the building has presented it to Penn Mutual in recognition of the company's forthcoming centennial.

The picture shows Vice-president Malcolm Adam watching the riggers lower the statue to the ground. It will be on display in the home office.

Continental Assur. Managers Meet

Twenty states were represented at the annual meeting of the General Agents & Managers Association of Continental Assurance in Chicago last week. Thomas Auld, president, presided.

Unique on a program of 15 talks was the performance of Paul W. Askue, Cleveland, who selected random numbers in the telephone directory and made appointments to discuss an insurance program. The conversations were broadcast on a public address system and each resulted in an appointment.

William R. Dignan, Cincinnati, discussed the use of "package" insurance in determining whether a prospect was interested in life, health and accident or retirement insurance.

The problems of three servicemen in starting a new agency at Hopkins, Minn., were described by Manager Reuterdahl.

Twelve home office employees attended the sessions, including President Tuchbreiter, Actuary and Vice President Reeder, Educational Director Cravens and Superintendent of Agencies Simms.

R. M. Vetter, Madison, gave his opinion that agents selling multiple lines sold more life insurance than full-time life agents because of contacts made in interviews on other lines.

The annual agency achievement cup was awarded to Philip C. Belber, Newark, whose production exceeded all other agencies of the company.

Great American Reserve Insurance Company has appointed H. E. Strickland as branch manager in New Mexico with headquarters at Albuquerque. He returned to the company from the armed services.



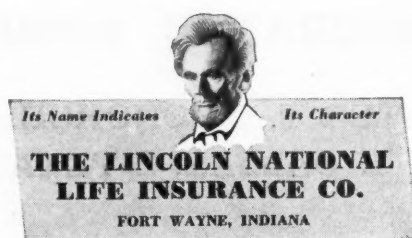
IT'S 16 TO 1 AGAINST FIRE

Records prove that for every fire loss during the period of the average mortgage, there are sixteen deaths among borrowers. Therefore, the man with a mortgage has a real need for mortgage insurance.

LNL's Mortgage Redemption Plan is tailored to the needs of the borrower. The face amount of insurance — and the premium — reduces as the mortgage reduces. The cost is exceptionally low. For example: The initial annual premium for a borrower, age 30, with a \$6,000 20-year mortgage would be

\$11.28 per \$1,000; the average over the 20-year period only \$8.91.

Mortgage Redemption is proving a very valuable sales tool for LNL representatives today.



LNL representatives serve the public in 42 of the 48 states, Hawaii, Philippines, Canal Zone, and Puerto Rico.

Returned N. Y. Life Veterans Sell at \$282,000 Pace

The value of self discipline gained through service in the armed forces is indicated by the sales records of 133 veterans who in 1945 had returned as agents of New York Life, Dudley Dowell, vice-president, said.

They had a total written business of \$18,121,004. They worked a total of 3,371 weeks with each agent averaging

\$5,375 of new business weekly.

Only 33 were active for all of 1945, and their total written business for the year was \$7,951,017, an average of \$240,940. In the year prior to entering the service, these agents averaged \$167,199 written business for a total of \$5,517,582.

The agents who had returned to the field from the armed forces in 1945 worked an average of 25 weeks and averaged \$5,440 written business weekly. This represents a rate of production for a full year of \$282,880 as compared to the average of \$157,144 recorded by these men prior to the war.

Former Colonel Gives Views

One agent, a former colonel, said mili-

tary service has broadened the veterans' knowledge of human nature, given them poise, accustomed them to responsibility, taught them singleness of purpose, increased their desire for independence of action, and matured their powers of thought and concentration.

Most outstanding of the records made by returned service men is that of Charles E. Horn of Oakland. After returning to the field Aug. 1, he wrote 164 applications for \$758,200 as compared with 129 applications for \$481,400 in his last full year prior to the war.

Keith G. Wildes of Seattle returned to the company in September and during 1945 wrote 171 applications for \$766,200. The company's "Homecoming Plan"

brings the agent up to date on technical changes, new practices and new policy forms. At company expense, he is furnished prospect and policyholder files, sales promotion devices and a rate book embossed with his name.

Former N. A. L. U. Head Honored in Seattle



CHARLES C. THOMPSON

SEATTLE—Charles C. Thompson, retired manager Metropolitan Life but still an active producer after 45 years in the business, was honored by business associates and other friends at a cocktail party and buffet supper.

The affair was arranged by Clem J. Sauter, manager of Equitable Society as chairman, and Dwight Mead, Pacific Mutual, vice-chairman. Some 30 other managers and 40 outside guests were present.

Mr. Sauter and Mr. Mead spoke briefly as did Henry E. North, vice-president of Metropolitan Life, a surprise attendant.

Mr. Thompson has been with Metropolitan Life in Seattle 31 years, serving as manager most of that time. He served as president of the National Association of Life Underwriters in 1932-3.

Mass. Companies Seek to Broaden Investment Base

BOSTON—Massachusetts life insurance companies, finding their return from the ordinary and government bond investments open to them far below their essential needs, appeared before the Massachusetts legislative committee on insurance with a bill which would permit them to invest surplus funds in downtown mercantile areas, buying buildings and land occupied by high grade, long lease tenants.

The bill, modeled somewhat after the New York law, would allow a company to put as high as 1/2 of 1% of invested assets in a single piece of property, or a total of 20% for all such holdings. The book values on both land and buildings would be amortized at the rate of 2% annually for 50 years. The bill, unlike the New York law, does not limit the return which the company may keep to 4%, but is unlimited.

It was explained the bill would "sweeten up" the investment return which has been so greatly reduced by heavy investment in government bonds, and that similar laws are in effect in New Jersey, Connecticut, Indiana, Wisconsin and Virginia.

The measure was favored by counsel or financial representatives of New England Mutual, John Hancock, State Mutual, Massachusetts Mutual, Columbian National, Paul Revere and Massachusetts Protective.

There was no opposition, but Commissioner Harrington, who was out of town, requested the privilege of appearing before the committee later in connection with the bill.

FROM EVERY QUARTER

Testimonials acclaim the MUTUAL LIFETIME COMPENSATION PLAN

FROM THE NORTH

"As time goes on, the more enthusiastic I become about the Mutual Lifetime Compensation Plan. Service Fees, Efficiency Income and the Retirement Income Plan spell steadily increasing income and security in old age."

RAY C. WISHART
Le Sueur, Minn.

FROM THE EAST

"This Plan gives one peace of mind and that's what we all desire most. It has great possibilities for the young men entering the business."

MARTIN P. KENNEDY
Scranton, Penna.

FROM THE WEST

"Additional compensation for quality business is an important new source of income. This, combined with lifetime service fees and the Company's contributory retirement plan gives assurance of a very satisfactory income for one's entire life."

H. WASHINGTON DODGE
San Francisco, Calif.

FROM THE SOUTH

"The new Mutual Lifetime Compensation Plan is an answer to the underwriter's prayer. Commissions, Renewals, Service Fees, Efficiency Income and Pension Plan, enable me to say in all sincerity that I face the future with greater confidence than ever."

TOMMY MARTIN
Murfreesboro, Tenn.

Our 2nd Century of Service

THE MUTUAL LIFE
INSURANCE COMPANY of NEW YORK

"First in America"

34 NASSAU STREET



Lewis W. Douglas, President
NEW YORK 5, N. Y.

Wealth of Ideas Offered at N. Y. Sales Congress

NEW YORK—The large gathering that took the day off to attend the New York City Life Underwriters Association's sales congress found itself well repaid by the wealth of practical sales pointers spread out for its enlightenment. It was a well-balanced program, with a good representation of speakers from the industrial agents, women life insurance experts, and home office and field.

John Poinier, John Hancock, gave several sales slants. He suggested for use in opening an interview, as well as in closing sales, the charts comparing the 1946 and 1945 withholding taxes. The agent asks the prospect to run his eye down to the point where he finds his monthly gross income and then look across the page to the figures below the number of his withholding exemptions, and he will find the amount that the government has raised his take-home pay. This works well in closing the prospect who thinks he can't afford the plan right now.

Much has been said and written about building prestige through conservation of National Service Life Insurance but the agent can do himself the most good by carrying and showing to any G.I. doubting Thomas the article published in the February 23 issue of the "Saturday Evening Post" entitled "One Hundred Billion Dollars Going Down the Drain." This article, Mr. Poinier said, tells far more eloquently than the agent could his story about National Service Life Insurance and paints the agent and all members of the National Association of Life Underwriters in a very favorable light. Mr. Poinier said he was confident that conservation of N. S. L. I. will prove even more profitable to the agent in the long run than was the springboard provided by social security.

The agent's own program is often a very convincing sales argument. Mr. Poinier carries into many interviews his own policy wallet and his own estate plan and said that he had closed many

faltering sales because the prospect realized that "I could take my own medicine as well as prescribe for others."

Boy Pays Own Premium

In selling juvenile insurance, Mr. Poinier said that several men with boys his son's age have bought contracts for their youngsters after he told them how his own son pays for his insurance through money he earns shining his father's shoes each day. One line that clinches the sale goes something like this: "Mr. Prospect, that boy of yours will learn the three R's at day school and get a fine training in Sunday school but you and you alone should welcome the opportunity of teaching him thrift. A life insurance contract for him will help him do it."

USES DRAMA

In selling retirement insurance, dramatization can be used to get results. Most men believe they will attain economic independence in old age but usually they fail because they do not plan or the plans they make fail them. Mr. Poinier told of traveling to New Haven to an alumni board meeting with a frugal man who had retired from active business four years earlier. This man gets a tremendous kick out of life because his

economic independence allows him to work at the things that he wants to when he wants to work at them.

"On my return to New York City," Mr. Poinier continued, "I visited my own dad, already 72 years old, recently out of the hospital and trying to regain sufficient health to enable him to return to his job. In his own mind he must return or die in the attempt rather than become the responsibility of the younger generation. God bless him for his thinking. These are two extremes separated by only a few hundred dollars of unearned income each month and my reason for mentioning these two men is to show you how I believe the problems of old age can be dramatized to good effect."

Illustrating the need of getting action at once, Mr. Poinier told of having made a payment on a new house and as the day for closing of title approached, he decided to buy sufficient insurance to cover his mortgage. On the day that he acquired the mortgage he found himself uninsurable because just five days before he had suffered an attack of renal colic. He said that telling that story helped him close a mortgage case in February for \$16,000.

Uses "Yeast Effect"

More emphasis should be placed on the "yeast effect" social security has on life insurance "dough," said S. G. Hale, assistant superintendent of agencies of Mutual Life. For example, \$7,500 of life insurance will provide \$50 a month for 14 years but social security not only provides the \$50 a month for 14-plus years but increases the benefits of the \$7,500 life policy approximately \$3,600 because of the 14-year waiting period. Mr. Hale conceded that most companies will not compound the interest on a policy held at interest but said the same result can usually be accomplished when other insurance providing income is included in the program.

Another example of the "yeast effect" is on a large estate. Suppose a man has \$150,000 life insurance and one of the things he wants is to be sure that his 45-year old wife has at least \$325 a month for life. Under a life income option it would require about \$90,000 of his \$150,000 to do this. However, if the man is covered by social security which provides \$85 a month until his wife is 55, then \$75 a month until she is 60, and then \$35 a month beginning at age 65, the desired \$325 a month could be provided by about \$60,000 under a life income option (part of it beginning at age 65) and \$30,000 under the interest option. This means that \$30,000 of the estate (before taxes) is held intact for the children. If the wife survives her husband several years before dying the social security can have several thousands of dollars of "yeast effect" on the already owned life insurance "dough."

Paul Troth Speaks

With the veteran just out of the service the agent has a foundation on which to build, using the prospect's combined social security and National Service life insurance, said Paul Troth, manager of field service Home Life of New York. "Let's measure those benefits against his standard of living and then fill the gap with life insurance—life insurance which gives him a fund to provide additional income and cash for final expenses and to pay outstanding bills," he said. "If he is a man with children, let's talk to him about income to keep his family group together at least during the dependency period of his children. Say to him, 'Mr. Prospect, wouldn't your boy or girl want you to do this for them? Let's take a look around at the number



OUR LIFE BLOOD

Twenty-one thousand Field representatives carry The Prudential message of security and peace of mind into thousands of American and Canadian homes.

55% have been with us over ten years.

18% have been with us over 20 years.

An ever increasing number of far-sighted individuals are on the threshold of a Prudential career of life insurance selling.

THERE MUST BE A REASON

THE PRUDENTIAL
A MUTUAL LIFE INSURANCE COMPANY



INSURANCE COMPANY OF AMERICA

HOME OFFICE . . . NEWARK, N. J.

(CONTINUED ON PAGE 14)

Dineen Is Star of Hearing in N. Y.

(CONTINUED FROM PAGE 2)

tacked the bill, this was a serious matter and it was hardly fitting to talk in terms of larceny and fraud. He pointed out that since about 90% of the business is on the participating plan and about 85% in mutual companies, the term "profits," in the sense commonly understood, is strictly a misnomer, that so-called profits go back to policyholders as dividends or are added to surplus to strengthen the companies' financial positions. As to the alleged dangers of large surpluses, abuses, and the dangers of turning company officers loose with so much money, he observed that the Armstrong laws put on certain safeguards and the department has shown no disposition to scuttle them.

LISTS SAFEGUARDS

These safeguards, he said, are the expense limitation to make sure money is not wasted in extravagant acquisition methods; the requirement that dividends be declared annually; the limitation on new business so that a company will not "write itself out of business;" the triennial examination of companies by the department; and the requirement of an annual statement in great detail.

Saying that a report to the U. S. Senate showed that interest rates are at the lowest level since 1875, Mr. Dineen emphasized that this is a condition of fact, not theory, and that "it is up to us to find a constructive way of dealing with the situation that faces the companies today." He suggested that if a mistake is made it should be on the conservative side. The life people, he said, have foreseen this situation and undertaken to deal with it. "Your problem is to decide whether this bill is an adequate and satisfactory method of dealing with what we face."

Only 100 Cents in Dollar

The C.S.O. mortality table, said Mr. Dineen, is an improvement and all concede that it is modern. As to the effect on the cost of insurance, he said there are only 100 cents in the dollar and it is just a question of distribution. Senator Dollinger said the bill looked like a method of protecting persisting policyholders at the expense of withdrawing policyholders. Mr. Dineen denied vehemently that either he or the department staff would permit this to happen.

Calling the surrender charge a form of extortion is unjust and uncalled for, he said, recalling that the Armstrong committee had said it was a necessary device and even a deterrent to dropping insurance. Under the present law a company could exact the full \$25 a thousand for the entire premium-paying period.

Explains Surrender Charges

As to the statement that the bill would permit raising the surrender charge as high as \$46, Mr. Dineen conceded the truth of this under some conditions but went on to explain how the Guertin formula would alter the surrender charge picture. He said that

the bill calls for higher minimum non-forfeiture values in the early years on the preliminary term plan than the present law and that while this plan is used at present for only about 7% of the business affected by the New York law the time may come when companies will use the preliminary term plan much more generally. In later years the minimum values under the bill would be lower than now. He said the Guertin plan is really an amortization provision for the expenses of acquisition.

As to the net level premium plan the minimum values would be lower under the Guertin plan than under the present law at all ages. He conceded that on a \$1,000 policy in effect 15 years the Guertin plan's differential would produce a difference of about \$12 between the policy reserve and the nonforfeiture reserve and that there is no direct legal obligation on a company to give the policyholder that \$12.

MUST GIVE DETAILS

However, Mr. Dineen called attention to the bill's requirement that the difference must be set forth in the statement, that there must be a schedule detailing the reserve on old and new business, also what was done with the difference the year before. Furthermore, the original Guertin bill required departmental approval only where the differential exceeded one-half of 1%, leaving the inference that it was not required if the differential were less than that. This bill requires consent if any differential is used and also a plan for assuring equitable treatment of withdrawing and persisting policyholders.

Mr. Dineen pointed out that Prudential and Metropolitan, which he characterized as well-managed companies, accomplish through different means the same end as the Guertin bill. "If you want to regard the men who run these companies as brigands I suppose you could call this larceny," he added.

Wants Survey Made

Senator Friedman of Brooklyn said he wondered, since this was long term legislation, why it wouldn't be well to have it considered by the joint committee which Chairman Mahoney of the senate insurance committee had proposed for the study of legislation called for by public law 15 and the S.E.U.A. decision. Mr. Mahoney spoke up to say that three members of the senate insurance committee and one member of the assembly committee had told him they had felt the bill was somewhat complicated and they felt it should be considered by the committee but since the "PM" blast they didn't feel they should run out on the measure.

Accomplishes Purpose

Mr. Dineen said the bill was one method of accomplishing what all agree is needed, it permits flexibility and no one profits in the sense of profits to stockholders. It is a constructive, conservative method of dealing with the situation. It might even be described as a rainy day bill, he said, pointing out that if all goes well it may not be necessary but that a time might come when it would be important to have it.

Mr. Dineen said that while all companies must qualify under the law's requirements, some are better bolstered financially than others and the bill will be an effective way of helping the marginal companies.

Asked by Assemblyman Hatfield of Dutchess county whether an outside survey, such as that of Senator Mahoney's proposed committee, would turn up any different information, Mr. Dineen said that "I think their findings would be identical or we would not have functioned well."

C. G. Taylor, Jr., executive vice-president of Metropolitan Life, chairman of the special committee of the Life Insurance Association of America on the Guertin bill, whose testimony was cut short by the previous day's adjournment, continued his outline of the bill

and its effects. He said that not only is there a need of enactment this year in order to get under way the work of preparation for the Jan. 1, 1948 deadline in many states but that a number of other states are waiting to see what New York does. He said there is a great deal of work to be done in getting ready to comply by the 1948 deadline though "it may sound easy if you don't have to do it."

OTHER OPPOSITION

Besides E. A. Gilbert and Senator Moritt, those who spoke in opposition were David Gilbert of the Gilbert & Sullivan insurance consultant organization of Philadelphia, and Mrs. Stella Gold, who read a statement prepared by Morris Zuckerman of the American Labor party. Any impression Mr. Zuckerman's statement might have had was largely deflated when Herman Meyrich of New York city, formerly a Metropolitan Life agent and now a national representative of the C.I.O. industrial agents' union, announced that Mr. Zuckerman spoke only for the American Labor party of Albany county and that the A.L.P. itself had taken no stand at all on the Guertin bill. Mr. Meyrich, asked how he himself felt about the bill, said he was for it and would have no part of it if he thought it were a gouge proposition, as charged by "PM."

The Zuckerman statement attacked the bill as raising the lid on surplus funds and referred to the "very substantial profits" from terminated policies that would be greatly increased under the bill. It stated that "the most vicious parts of this bill are its provisions for allowing companies to accumulate higher reserves than those used in determining cash values."

David Gilbert's criticism was full of fulminating diatribes but boiled down to the typical term insurance argument—that the companies were having to resort to the Guertin bill to get them out of their "banking" difficulties. He warned that the companies will "commit financial suicide if they give up their outmoded mortality table," which he said has been their one safeguard.

New Virginia Law Exempts Cash Surrender Values of Policies Up to \$10,000

RICHMOND—Cash surrender values in life policies will be exempt from claims of creditors where the amount of the policies does not exceed \$10,000, under a bill which went through the Virginia legislature in its final hours. In its original form, the bill provided that the total amount of insurance in which protection should be given was not to exceed an amount that could be purchased by premiums totaling \$500 per annum.

Fred Bunnell, New England Mutual, president of the Richmond Association of Life Underwriters, which sponsored the legislation, expressed himself as being pleased at the passage of the bill, although it does not afford as much protection to policyholders as he had hoped it would. However, it is a good beginning and perhaps provisions of the act may be broadened at later sessions, he said.

Another bill requiring life companies to give policyholders notice of premium due date not more than 45 days nor less than five days before the premium due date failed of passage. It also provided that if the premium had not been paid within the first 15 days of the grace period the companies should send out another notice within 10 days thereafter. Several life men spoke against it, including William R. Shands, Life of Virginia; Gaius W. Diggs, Penn Mutual, and Perry F. Mullinax, New York Life. They said no company wanted to see a policy lapse for nonpayment of premium and that no legislation is needed to make companies send out notices.

Rejoins Dad's Agency as Associate Gen. Agt.

Fred M. Selling, who has been appointed associate general agent of the Julius Selling agency of State Mutual



Life in New York, is shown with his father, whom he rejoined after three years in the army, most of it in Europe.

The younger Mr. Selling had been in insurance for a number of years. He will help his father in the plans for expansion of the agency which in the past year advanced from sixth to fifth place in company standing, with a gain in business of 52% and a persistency rate of 99.2%. The agency pushed up to third place in company standings for January, 1946.

Lumsden and Strong in Canada Life Posts

Canada Life has named H. E. Lumsden and J. Q. Strong assistant superintendents.

Mr. Lumsden has been with the company since 1936 as a supervisor at Hamilton, Ont., and as educational supervisor at the head office. He is a graduate of Marquette University.



J. Q. Strong

H. E. Lumsden

Mr. Strong has recently rejoined Canada Life after three years in the RCAF. Following graduation from McMaster University, he became associated with the head office. He has had 15 years' experience as chief clerk and agency secretary.

Gregory to Handle St. Louis On-the-Job Training

ST. LOUIS—Roy Scantlin, superintendent of public instruction of Missouri, recently named by Governor Donnelly to head the state's machinery for on-the-job education for returned service men and women, has selected B. G. Gregory, manager of the Insurance Board of St. Louis and executive secretary of the Missouri Association of Insurance Agents, to act as supervisor in St. Louis and St. Louis county for approval of companies, agencies, etc., for on-the-job training.

Mr. Gregory has requested Ralph D. Lowenstein, Massachusetts Mutual Life, president of the Life Underwriters Association of St. Louis, to select someone to pass on applications for approval affecting the life insurance and health and accident fields. Mr. Gregory will confine his activities to passing on applications in fire and marine, casualty and surety and allied lines.

President Lowenstein will confer with the other officers and directors of the Life Underwriters Association as to the man for life insurance and also for accident and health.

SOMEWHERE there is a LIFE PRESIDENT or DIRECTOR of AGENCIES who can make PROFITABLE USE of this man's talents

- 10 years successful experience and wide recognition in life insurance advertising, publicity, sales promotion, public relations (you have seen his work).
- Looking for larger field of opportunity than provided by present position.
- Young, ambitious, congenial, original.
- Award winner in latest competitive exhibit, Life Advertisers' Association.
- Request will bring more details, photo.

Address Box F-15
NATIONAL UNDERWRITER, 175 W. Jackson
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Wealth of Ideas from N. Y. Sales Congress

(CONTINUED FROM PAGE 12)

of full-grown men who go on strike for what they call a living wage—Mr. Prospect, wouldn't your children be perfectly justified to go on strike against you in your own home if you didn't do something to protect them for the hazards on which they can get by—so they can determine the amount of income necessary at least during the dependency period of your children—not what you'd like them to have, but the very minimum on which they can get by—so they can continue to have the necessities of life and their mother's care. I think they'd think a lot of their dad if he did that, don't you?"

"And if he balks draw a vertical line on a sheet of paper and say, 'Mr. Prospect, let's list on one side of the line the things that you will have to do without if you buy this life insurance—and on the other the things that they will have to do without—without you—if you don't buy it.'"

If the prospect is interested in retirement, Mr. Troth suggested drawing a line that represents the span of his earning power. When he has crossed the span the important thing is not how much he made but how much has got there with him. Through life insurance he can send a part of today's dollars ahead to be waiting for him when he reaches the other side. Mr. Troth said to remember that in spite of reconversion the fundamental need for life insurance is just the same today as it was yesterday and as it will be tomorrow.

G. F. KIELY

G. F. Kiely, Phoenix Mutual, who was prisoner of war after being shot down in enemy territory, compared life insurance selling with combat flying and said

that agents need to take time off occasionally to rest up from the strain they are under, just as flyers do.

"If men in the life insurance business will have their managers act as the flight surgeon, it will help tremendously," he said. "I say the managers—for this reason: if in Europe we were permitted to take leave every time the going got rough we'd have had no air force at all. I know as far as this boy is concerned, I would have pronounced myself 'flak-happy' after my fourth mission and gone home. But have some responsible person determine whether or not you've really had a tough time with those objections and if so take a few days off. Forget this damn business and when you come back start fresh. It works!"

Mr. Kiely told of several sales that have been closed through using the idea that science will prolong the life span and that policyholders who buy retirement contracts will get more out of them. In doing this the agent is telling people what they like to hear.

Ordinary on Debit

In discussing the sale of ordinary on the debit, B. F. Toch, Metropolitan, said that he picked up about \$400,000 of life insurance on the debit last year, which is not extraordinary for a debit man. In the course of running through his local newspaper he said that about six months ago he noted an item telling of the birth of a new baby in a family next door to one of his policyholders. He placed a 20-year endowment on the baby and having found out about the father's situation succeeded in selling him a \$10,000 policy.

Having won the father's confidence he learned where the man worked and found he was a foreman in a plant owned by two brothers. It looked like a case for partnership insurance and resulted in the sale of \$90,000 and also additional personal insurance on the two brothers of \$10,000 on one and \$5,000 on the

other. The lawyer who worked on the case proved uninsurable when Mr. Toch solicited him but recommended him to a friend who bought \$20,000. Then he showed the agreement in the partnership case to another lawyer and placed \$22,000 on him, so that all told thus far Mr. Toch has written \$157,500 as the result of placing one small policy on a baby.

Of course not all turn out that way. About two weeks after Mr. Toch entered the business he succeeded in placing two small whole life policies on two boys whose 15-year endowments had matured. He thought he had done rather well but later learned that the father, who was an important executive in an oil company, bought \$25,000 in another company to round out his program. The agent was another debit man who had insurance in the family only he used the contact and Mr. Toch didn't.

Mr. Toch emphasized the importance of small cases, saying that they are the ones that give him his leads and if he didn't have them he would never get to the bigger ones. The man or woman who buys a small contract will have other members of his family or friends who can buy bigger contracts if the agent makes it a habit to make inquiries and get references. And besides that the small cases added up make a very nice foundation on which to build.

Plenty of Buying Power

There is a lot of purchasing power on the debit, Mr. Toch pointed out, for though the head of the family may be earning \$2,500 or less in about every second family there will be one or two people in the family who are working and it is nothing uncommon to find family incomes that run from \$5,000 to \$10,000. There is almost as much potential purchasing power there as with an individual who is earning \$5,000 to \$10,000, and the debit man has many of these substantial family incomes in his territory.

Then there is another common situa-

tion. A man whose family has several industrial policies may have moved up to a position where he is able to buy anything the company has to offer. Mr. Toch also emphasized the importance of evening calls, since the agent can't reach the head of the family, where the larger business comes from, unless he reaches him at home.

Industrial Sales

P. C. Puzo, Metropolitan Life, said he operates according to a plan in selling industrial and makes up a list of about 40 prospects each week. Because not all are available, the list usually boils down to 15 or 20 interviews and six or seven sales which resulted in 322 industrial sales for him last year. The people he sees are policyholders on his debit or references he gets from those policyholders. He looks for situations where the head of the family is underinsured, for example, or where there is a family with an endowment maturing in the near future or where children are attaining age 9½ or age 14½ or where a youngster is about to become age 18 and self-supporting.

Most of his calls are in connection with crediting of dividends or some other service. When he credits dividends, Mr. Puzo reviews the family's insurance and makes out a record of this insurance for them. Perhaps the record will show that the father has \$1,500 when he ought to have and can afford at least \$2,500 or the wife may have none at all. Or there may be a small policy on each of two children and none on the third. He said the man who fails to make these surveys is missing the biggest opportunity the debit offers.

Mr. Puzo said that for the man who is thinking about \$50,000 and \$100,000 cases these industrial policies may seem like a small operation but "Get enough of these cases and you've got a good sized operation." He said that from the standpoint of actual need of protection



"Can Little Girls Get Double Indemnity?"

Yes, Judy! Double Indemnity may now be included in children's certificates issued by The Maccabees. This extra protection begins at age five. It is unusual because it pays \$10.00 a month on each \$1000 of insurance for double dismemberment or total loss of sight by accident. In addition, it pays double for accidental loss of life.

Your clientele will appreciate this and many other attractive features issued in The Maccabees certificates.



The MACCABEES
5057 Woodward Avenue
Detroit 2, Michigan

he renders a service equally important as the man who has closed a \$50,000 case.

H. A. MEYER

H. A. Meyer, John Hancock, stressed the advisability of approaching men who are "up" emotionally as well as financially. For example, Mr. Meyer visited a prospect who was recovering from an injury but had been having a hard time getting by on the small weekly income from his inadequate accident insurance. This led to a discussion of how much income his family would receive had he been completely taken out of the picture. Another sale resulted after a prospect who had frequently put Mr. Meyer off, lost a close friend by death and found the widow would have no funds because her husband had not "believed in insurance." Quite frequently, said Mr. Meyer, men who are "up" emotionally are more easily approached than men who are up financially.

Other prospecting devices he listed, as a cold canvass preceded by a mailing piece that particularly fits the situation; birthday cards with an age-change follow up; activity in social or community groups to find out who is doing well; acting as insurance adviser to veteran service agencies; activity in veteran organizations for those agents who have recently returned from the services; explaining social security survivorship benefits to the great majority of average income citizens who have the impression that social security is solely for their old age; contacts with builders to find out who has purchased property or contracted to build; employed women; contacts with physicians, dentists, attorneys and accountants, not only as sources of business but as centers of influence; making an inventory of insurance on every family whom you serve, and extending it to find out who are their relatives and what they do and how many children they have, etc.; finding out who the newly attained policyholder's boss is. Mr. Meyer advised the agents to have their wives keep their eyes and ears alert at school meetings, church affairs, and the like, saying that this source produced more than \$50,000 of business for him in 1945.

F. F. STAFFORD

F. F. Stafford, State Mutual, told of several cases in his experience of selling insurance to small businesses. He goes on the principle that every small and medium-size business whether incorporated or not needs business insurance.

For example, a man in his early 60's owns and operates a small but successful hat business. His son will soon be out of the service and is going into the firm. The father and mother own the stock. The father had never considered having the firm carry insurance on his life but quickly saw the danger which the whole family and the business would be in if anything should happen to him during the next few years. Now the firm carries \$20,000 ordinary life on the father and it is planned to have an equal amount on the son when he returns.

Case of Publishing Firm

The president of a newly-formed publishing business holds a bare majority of the stock, the balance being in the hands of three people who advanced money to help him start. He has a wife, a daughter and a son. The son intends to enter the business. After every argument failed, Mr. Stafford said, "Would your outside stockholders feel much confidence in your son if you should die a year or so after he joined the company?" The man admitted that they would want to liquidate or sell the business to some other publisher and agreed that it would be a fine thing to have the money available so that the firm could immediately buy out these outside stockholders in the event of the president's death, so his family would own the business completely. As a result, the firm took out \$50,000 on the president's life with the

hearty approval of the stockholders.

A man aged 49 owns a majority interest in a wholesale stationery firm. The father is doing very well but he didn't want his wife and daughters to keep the stock if he should die, nor did he wish to buy the stock of any of the minority shareholders because he felt he had enough. An agreement was worked out whereby the corporation will purchase the president's 51% at his death and the firm took out \$25,000 to cover the purchase price.

In addition to other cases resulting in the sale of insurance Mr. Stafford told

of some sales he made of personal insurance where no business insurance was purchased although some eventually may be sold.

Others who spoke included Harry Phillips, Jr., Penn Mutual; S. E. Monroe, Equitable Society; M. E. Jacobs, Northwestern Mutual; Beatrice Jones, Guardian Life; Hermine Kuhn, Manhattan Life; Mildred Stone, Mutual Benefit, and V. B. Coffin, vice-president and superintendent of agencies of Connecticut Mutual who summarized the day's program. Their talks will be reported in next week's issue.

Allen Business Manager of Todd Agency in Chicago

James T. Allen has been appointed business manager in charge of office personnel in the John O. Todd general agency of Northwestern Mutual Life, Chicago. He was at one time in the secretarial department at the home office, handling various duties and becoming field auditor. Then he was detailed to Denver as supervisor in the general agency there, where he served for several years.

Ixtaccihuatl

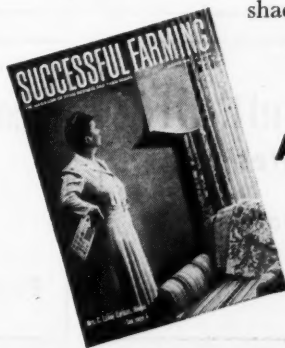
...fiesta for fagged farmers

During war years the farmer had to forego fun, concentrate on a full time job of feeding armed forces, grow for the day when America would be a global granary. Along with rich crops, the farmer also reaped respect... earned international gratitude... and a vacation! John L. Wyatt suggests a super Sabbatical... a saunter south of the border in the family sedan. Big news... *mantilla* bites dog-tired farmer! Mr. Wyatt lures with local color... pictures panoramic Popocatepetl and Paracutin... pours on the *pulque*... features *frijoles*, *fiestas*, *siestas*... strictly the *bestas*... names names and quotes prices in Mex and 'Merican. We predict a break for the border... lots of leaves of absence from acreage... fitter farm families... a yen for travel among all who come across "Mexico—foreign adventure land nearby," on page 34 in **SUCCESSFUL FARMING** for March... including insurance men who can get new ideas about farmers and/or vacations in one reading!

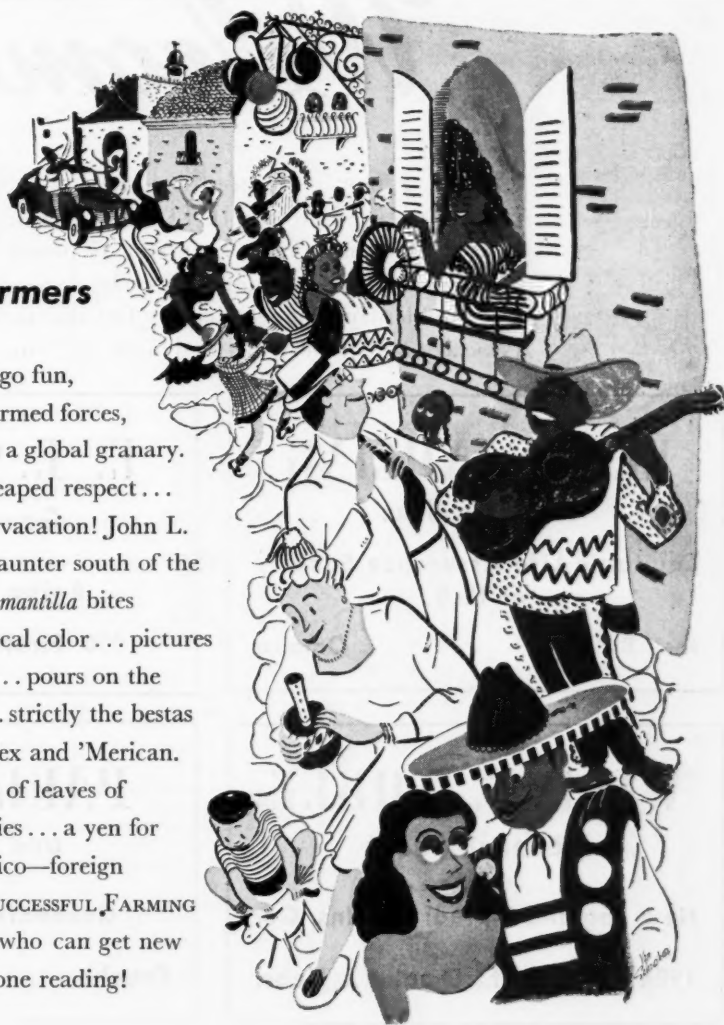


Hoeing is going... if 2,4-D works out as well as expected, farmers will banish blue burs, buttercups, burdock, bindweed... and a long list of other soil spoilers with a spray gun. An exciting discovery... latest facts about "2,4-D, New Killer for Weeds," page 28.

Gilt Edge... Howard Manlove, Henry County, Indiana, gets more at the market for his hogs by pampering the piggies... provides soothing shade for shows... puts clover on the *a la carte*... and makes 'em take medicine at the first snuffle. Look for "Good Start—Fast Finish," page 127.

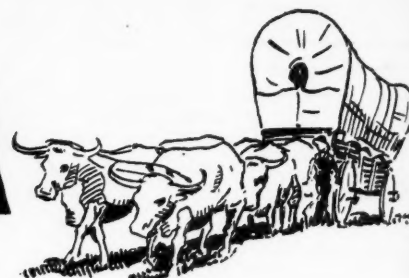


A policy of reading SF regularly will pay insurance men... familiarize them with the farmer and his future... the national natural, presold on planning and protection, more prosperous than ever, in a premium position... **SUCCESSFUL FARMING** reaches the richest of the farm readers... has a better in with a bigger slice of the farm market... more than a million subscribers backed by billions... cash value! To get more facts call any office! **SUCCESSFUL FARMING**, Des Moines, New York, Chicago, Atlanta, San Francisco, Los Angeles, Detroit.





OMAHA



Welcomes You

With a new era ahead calling for new responsibilities and providing new opportunities for life insurance this VICTORY meeting of The National Association of Life Underwriters is of marked significance. Omaha is proud and gratified to welcome you to the Metropolis of the Great Plains. Omaha was the key city in the great westward expansionist movement. We confidently predict that at Omaha this year a new expansionist era for The National Association will be conceived and put into effect.

LEE WANDLING

Agency Mgr.

Equitable Life Assurance Society
of U. S.

Ins. Bldg.

Omaha

C. E. CLINTON

General Agent

Aetna Life Ins. Co.

1030 First Natl. Bank Bldg.

K. M. SNYDER

Gen. Agt.

Northwestern Mut. Life

Barker Bldg.

Omaha

WILL F. NOBLE

General Agent

New England Mutual Life Ins. Co.

1904 Farnam St., Omaha 2, Nebr.

PAUL C. KAUL

and Associates

Connecticut Mutual Life

Omaha

Nebraska

DENNIS RADFORD

General Agent

Lincoln National Life Ins. Co.
Insurance Building

Omaha

Nebr.

Henry B. Ramsey

Mgr. Ord. Dept.

Prudential Life

718-20 World Herald Bldg.

Omaha

Williard B. Johnson

General Agent

Mutual Benefit of N. J.

City Natl. Bk. Bldg.

Omaha

Carl W. Ledgerwood

Manager

New York Life Insurance
Company

Securities Bldg.

Ned G. Patrick

and Associates

Massachusetts Mutual

Aquila Court Bldg.

Omaha

Sam B. Starrett, Jr.

and Associates

Guarantee Mutual Life
Guarantee Mutual Life Bldg.

Omaha

Paul V. Cottingham, C. L. U.

Mgr.

Mutual Life of N. Y.

Electric Bldg.

Omaha

Omaha Parley Now Under Way

Mid-year Conclave Expected to Be Greatest Ever

Local Hosts Strive to Make Occasion Memorable

OMAHA—Under way here this week is what promises to be the most largely attended and the most spirited mid-year meeting of the National Association of Life Underwriters ever held.

The life insurance business has never been so flush. The morale of the organization has never been so high. There has never been a time when there has been a greater desire on the part of life insurance men from all parts of the country to congregate.

And, there has never been a local organization that has been more eager to



L. J. Marcotte



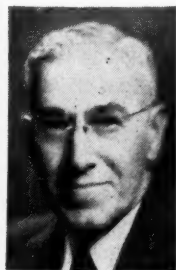
Lee Wandling

do up brown the job of being host than the Omaha Association of Life Underwriters.

Full Week of Activities

The activities are running throughout almost the entire week. By Tuesday a number of the national leaders were on hand for pre-convention pow-wows and then Wednesday morning the N.A.L.U. trustees got down to work with a full agenda. Thursday was a busy day and the clan gathered in larger numbers and Friday promises to see a packed session of the national council.

The week comes to a close Saturday with a sales congress that is expected to



Lee Gillis



Ned C. Patrick

draw an attendance of about 1,500. There are six sure fire speakers of national renown, including James E. Rutherford, executive vice-president of N.A.L.U.; Holgar J. Johnson, president Institute of Life Insurance; B. N. Woodson, executive vice-president of Commonwealth Life; Arthur F. Priebe, Penn Mutual selling star from Rockford, Ill.; Carlton W. Cox, Metropolitan Life,

(CONTINUED ON PAGE 18)

Committee Reports Indicate Extensive Activities of Agents' Organization

OMAHA—The N. A. L. U. committee reports, distributed here in printed form, constitute impressive evidence of the wide field of activity of the organization. Most of these reports indicate that many hard and intelligent licks have been put in and that much action is contemplated. In days gone by, it was obviously difficult for the chairmen to make a report and they consumed much time saying either that there had been nothing to have a meeting about or offering alibis for inaction.

The reports at Omaha all tell stories of action.

AGENCY PRACTICES

The committee on agency practices headed by Jul B. Baumann, Pacific Mutual, Houston, N. A. L. U. secretary, recommended that President Connell immediately invite company organizations to join the N. A. L. U. in the development of an industrywide creed, code or statement to take the place of the agency practices agreement.

Every effort should be made to prepare such a statement so that it may be considered at the September annual meeting.

Mr. Baumann recalled that when the signed agency practices agreements were returned to the 60 signatory companies because of the implications of the S. E. U. A. decision, hope was expressed that the companies would continue to adhere to the principles of the agreement. Since that time there has been a great desire on the part of agents for the promulgation of a creed or code that would serve as a guide to management and to which all would be asked to adhere.

Career agents fear that hard earned progress in the improvement of quality of field men is in danger of being lost because of mass and indiscriminate recruiting. They believe there should be better screening methods for the induction of new men, better training programs, more adequate supervision and establishment of higher standards of service.

Indiscriminate Recruiting

In many places there is great concern over what appears to be indiscriminate recruiting of veterans. The one concern of the committee is that allowances available under the G. I. bill will tempt both home office and field to induct persons who are not fitted for the calling and who, except for such allowances, would not be accepted.

The committee declared the home office should analyze the market possibilities in each agency and the potential of that agency to digest new men and should set a maximum quota of recruits for each agency.

The home office should insist upon the use of the most modern testing devices. In this connection the committee condemned the practice of mailing testing forms to prospective applicants.

The home office should assume full responsibility for seeing that adequate training materials are placed in the hands of managers, and that the agency heads are shown how to use it. The home office should see that adequate and continuing supervision is given. Rigid standards of performance should be set

up by the home office and adhered to. Ill equipped and poorly qualified persons should be eliminated at the earliest possible moment.

Although the home office should be held strictly to account, field management must give its full cooperation.

Commendation was given to companies that have devoted their advertising to a statement of their manpower policies and objectives.

Additional tests should be given of the Sales Research Bureau aptitude test and the N. A. L. U. is cooperating to the utmost. Some 1,000 agents have been tested during the past few months and it is planned to continue these testing sessions until a total of 2,000 have taken them.

AGENTS' COMPENSATION

Alfred C. Duckett, Northwestern Mutual, Los Angeles, reporting as chairman of the committee on agents' compensation, advocated:

That a service commission, probably 2% or 40 to 60 cents per thousand, be paid on policies that are now over 10 years of age rather than upon new policies upon which such compensation would begin 10 years hence.

That at least a part of the renewal accruing normally to the agent leaving a company should be withheld and paid into a fund with the insurer from which service commissions could be paid to the man assigned to take care of this business.

That a man remaining with his company for a definite period, say five years, on leaving to go with another company, should forfeit some but not all of his renewals.

That under no circumstances should the commissions of failure agents or of those leaving the company be paid to the general agent.

Free of Indebtedness

That the home office provide financial aid in taking care of the expense incurred in inducting the new agent and that the new man not become indebted to the company or general agent. Distribution of orphan policyholders upon which a commission for service is being paid may constitute a method for offsetting some of the induction expense.

That the new man who is accompanied in his field work by a supervisor receive the full commission until he is able to carry on his work alone.

Although it was not a committee recommendation, Mr. Duckett said many members contend that a broker who does not come up to the volume requirements that are imposed upon agents, should not be paid renewal commissions. The committee does not say that attention should be given to this matter. The committee went on to say that the companies doing a brokerage business maintain that it is proper to pay the broker vested renewals because the broker is paying for his own office, secretary, etc. Also the insurers say the broker is not included under a retirement plan as is the agent.

Many members of the committee, Mr. Duckett said, also object to the payment of a relatively lower rate of commission upon so-called special contracts. There is, according to the committee, no actual

(CONTINUED ON PAGE 20)

N. A. L. U. Activities Spread Widely Among Members

Responsibility Extensively Shared at Four-Day Parley

NEW YORK—As they prepared to leave for Omaha, President Clancy D. Connell, Executive Vice-president James E. Rutherford and members of the headquarters staff were looking forward to a mid-year meeting of the National Association of Life Underwriters that would be something special in several respects. A new high in attendance at the national council session running between 400 and 500, was considered virtually certain. It was to be the first four-day mid-year meeting. The innovation of having a full day for commit-



J. E. Rutherford



Clancy D. Connell

tee meetings and the expected first report of the functions and activities committee were mentioned as special features.

The meetings' attendance and extent indicate how far these mid-year gatherings have evolved from the one-day sessions that they were some years ago. Of even greater significance is the evolution in attitude of the membership and the willingness to shoulder responsibility. It has been a gratifying response to the efforts of the top leaders in the last few years, particularly, to spread the work of the association and to obtain the benefit of the counsel and efforts of the many men of ability in the organization.

Committeemen Share the Load

The plan, sponsored by President Connell, of having the committees meet all day Thursday was regarded as a most important step in making each committee a working conference rather than having the chairman bear the bulk of the load, with the committee members signing reports they had often never seen before. While the reports were prepared by the respective committees well in advance of the meeting, the face-to-face conferences provided an opportunity for further exchange of views and if necessary additional modifications.

The reports are the result of much advance conference by mail, during which committee members could reconcur in the draft, dissent, or make alternative suggestions. Then the reports were reshaped and sent to all members of the national council, giving an opportunity for study and discussion with local association directors.

This policy of having a real participation

(CONTINUED ON PAGE 18)

Mid-Year Conclave Greatest Ever

(CONTINUED FROM PAGE 17)

Paterson, N. J., who is an N.A.L.U. trustee, and finally the top man this year in the agents organization, President Clancy D. Connell of N.A.L.U.

The entire local activities have been under the direction of Lee Wandling, Equitable Society manager. He is a leader in N.A.L.U. activities and knows what it takes to handle this particular

group and what their needs and desires are. He has had at his hand a group of committee workers that have been imbued with a desire to make this one of the most memorable occasions in N.A.L.U. history.

Local Companies Hospitable

The local companies have been extremely cooperative and on Friday evening at the Fontenelle hotel ballroom they will be host to the official N.A.L.U. family, trustees and council.

The company hosts are: American Reserve Life, Guarantee Mutual Life, Service Life, United Benefit Life,

Woodmen of the World Life, and World of Omaha.

Another fun session took place Thursday evening in the form of a reception for visiting agency heads. This was at the Omaha Athletic Club.

Lee J. Gillis, president of the Omaha Association of Life Underwriters, is one of the key men in the local setup. The association has the largest membership in its history, numbering some 250.

Frank A. McDevitt, manager of the General American Life, chairman of the ticket sales committee, has done an excellent promotional job by getting in touch with the local life underwriters as-

tee on company meetings, had much work to do because a large number of companies scheduled gatherings with their representatives during the week.

Ned G. Patrick, Massachusetts Mutual, chairman of the general agents and managers section, was in charge of arrangements for the all day meeting Thursday, concluding with the reception.

Elsie Colson, Union Central Life, chairman of the women's division, arranged a luncheon Friday to be addressed by Judd C. Benson, home office general agent of Union Central and an N.A.L.U. trustee. H. S. Jones, general agent of Penn Mutual, had his hands full as chairman of the sales congress committee.

Paul C. Kaul, general agent of Connecticut Mutual Life, is chairman of committee meetings; Norval S. Pierce, manager of Metropolitan Life, heads the finance committee and Sam B. Starrett, Jr., general agent of Guarantee Mutual Life, did an excellent job as publicity chairman.

Activities Are Spread Widely

(CONTINUED FROM PAGE 17)

tion in the association's activities spread widely among the membership has resulted in a renewed desire among the members to pitch in and offer their services to do what they can for the business. Years ago, when the association was run by a small group of leaders, this was not true. It was often difficult to get good men to give their time and effort.

The report of the functions and activities committee, headed by Carlton Cox, manager Metropolitan Life, Paterson, N. J., will be one of the most important items on the trustees' agenda. It is essentially a planning committee and many matters have been referred to it. It held two meetings before the mid-year gathering, one lasting two days and the other one day.

Manpower the Big Issue

The burning question of the hour is how to deal with the manpower situation so that the life insurance business will continue to enjoy the same high regard that it did up to V-J Day. No more important question faces those at Omaha than that of agency practices.

Other vital matters are the attitude of the field and the institution of life insurance regarding social security; the success of veterans' affairs work, which presents an unrivaled opportunity for effective public relations; and the national quality award, for which the deadline is March 31; agents' education and training; cooperation with other segments of the industry.

As is customary, the president will present the names of 15 members from whom the national council will elect a nominating committee of five.

Besides Mr. Rutherford, those scheduled to be on hand from National association headquarters include M. L. Hoffman, managing director; W. E. Jones, executive secretary and editor, and D. F. Barnes, director of veterans' affairs. Among those going from New York City, besides President Connell, were Treasurer W. E. Barton, Mr. Cox, J. S. Selby of Baker, Selby & Revenel, Washington, counsel of the association; Osborne Bethea, general agent Penn Mutual in New York City and member of the general agents' and managers' planning committee; and Past Presidents J. S. Myrick, vice-president Mutual Life, and H. J. Johnson, president Institute of Life Insurance.

Ga. Ruling on General Policies

Companies writing funeral policies in Georgia may not designate a mortician or funeral home as beneficiary, Deputy Commissioner Jackson has ruled. His ruling was sustained by Attorney General Cook. Policies must provide for payment in cash.



Nebraska State Capitol, Lincoln

GREETINGS N.A.L.U. MEMBERS

Nebraskans feel honored to have the National Association of Life Underwriters hold its mid-year gathering in their state. Woodmen Central Life Insurance Company and Woodmen Accident Company cordially invite you to visit their office in Lincoln.

WOODMEN CENTRAL LIFE INSURANCE CO.

LINCOLN, NEB.

E. J. Faulkner
President

R. L. Spangler
Executive Vice President



PAUL C. KAUL

sociations through all of the central states.

Winslow M. Van Brunt, general agent of National Life of Vermont, is the housing chairman, and he has taken care of the situation in statesmanlike manner in view of the fact that the reservations far exceeded expectations. He organized all of the hotels that are taking care of the visitors.

Paul V. Cottingham, manager of the Mutual Life, heads the entertainment committee and he has much in store.

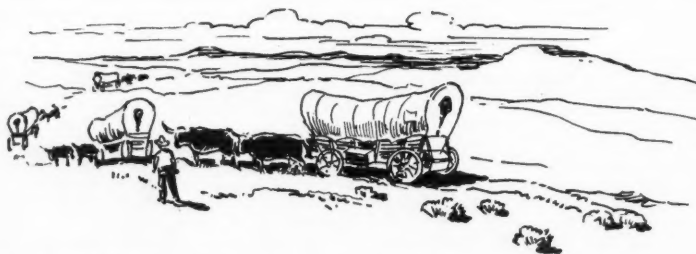
E. L. Smith, manager of National Life & Accident, as arrangements committee chairman, made elaborate plans for carrying out the activities on schedule.

Noble Directs C.L.U. Plans

Will F. Noble, general agent of New England Mutual, perfected the plans for the C.L.U. breakfast Thursday morning.

L. J. Marcotte, manager of United Benefit Life, as chairman of the commit-

NEBRASKA'S OLDEST LIFE
COMPANY AND ONE OF THE
PIONEER COMPANIES OF
THE MIDDLEWEST



WELCOMES THE N.A.L.U.

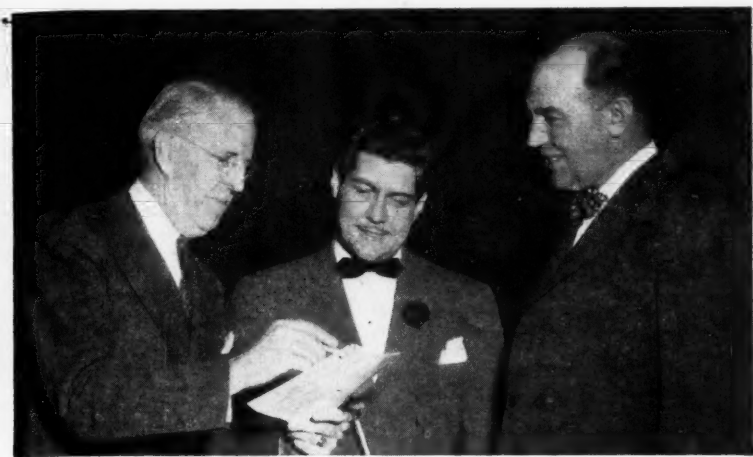
Back in 1887 . . . only 20 years after Nebraska became a state and the Union Pacific Railroad was completed, the opportunities for a progressive life company were foreseen and Bankers Life of Nebraska became one of the pioneer companies of the Middle West. Not content to rest on its laurels as Nebraska's oldest life company, it has forged ahead steadily and next year will observe its 60th anniversary with a record volume of insurance in force.

BANKERS LIFE INSURANCE CO.

OF LINCOLN, NEBRASKA

Building Family Security Since 1887

Committee Leaders of the Omaha Hosts



Two of the committee chairmen that have taken a prominent part in the arrangements for the midyear meeting of the National Association of Life Underwriters at Omaha this week are Sam B. Starrett, Jr., general agent of Guarantee Mutual Life, who heads the publicity committee, and Paul V. Cottingham, manager of Mutual Life, who is entertainment committee chairman.

Mr. Starrett, left, and Mr. Cottingham are here running over entertainment arrangements with Morton Wells, band leader.

Transportation Plans for N. A. I. C. Convention

NEW YORK—A. N. Butler, vice-president of Corroon & Reynolds, has again agreed to arrange transportation for those attending the National Association of Insurance Commissioners convention at Portland, Ore., June 9-13. His address is 92 William street here.

Mr. Butler suggests that as many as possible leave on one of New York Central's good afternoon trains, preferably the 20th Century, Wednesday, June 5, giving a full day in Chicago before leaving on one of the following trains:

Union Pacific Portland Rose—Leaving Chicago 8:15 p.m., June 6, and arriving Portland 7:30 a.m., June 9.

Northern Pacific North Coast Limited—leaving Chicago, June 6, 10:45 p.m., and arriving Portland, June 9 at 7:55 a.m.

Great Northern Empire Builder—leaving Chicago, June 6, at 11:15 p.m., and arriving Portland June 9 at 7:35 a.m.

The Union Pacific's "City of Portland" leaves Chicago only every six days and the schedule provides for departures

Annual Seminar of N. Y. C.L.U. to Be April 12

The sixth annual seminar on current economic and social trends, sponsored by the New York chapter of the C.L.U., will be held April 12, at the Waldorf-Astoria.

Speakers will be outstanding men drawn from labor, finance, economics and government service. Attendance at the all-day forum will be open to agents from all over the country and an even larger attendance than usual from outside New York is expected. Reservations are now being made for both the discussion sessions. Announcement will be made later of the speakers.

May 20, June 4, and June 10, at 6 p.m. arriving in Portland two days later at 9:45 a.m.

Early arrangements are essential in order that the railroads may be able to plan for the best accommodations possible. There will be a later announcement regarding airplane travel.

Handling Omaha Hotel Problems



Winslow Van Brunt, general agent of National Life of Vermont, is here conferring with the staff of Paxton hotel, Omaha, regarding the handling of guests for the mid-year meeting of the National Association of Life Underwriters that got under way in his city Thursday. Mr. Van Brunt is chairman of the housing committee. This, of course, is an exacting task and Mr. Van Brunt followed through on all arrangements very carefully.

Greetings to You

N. A. L. U. LEADERS

To members of The National Association of Life Underwriters holding their mid-year meeting in Omaha we extend a hearty welcome. ... As one of the leading fraternal, Woodmen of the World Life Insurance Society is pleased to greet you leaders who, like we, are devoted to rendering maximum service to policyholders.



WOODMEN of the WORLD LIFE INSURANCE COMPANY

OUR ASSETS EXCEED \$152,000,000

FARRAR NEWBERRY
President

W. S. BRADEN
Secretary

INSURANCE BUILDING, OMAHA

LINCOLN LIBERTY LIFE

welcomes you to the

CORNHUSKER STATE

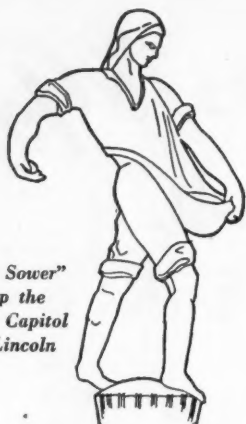
For over 25 years Lincoln Liberty Life has been one of the progressive leaders in the mid-western field. We are happy to welcome you to Nebraska and we sincerely hope that you will stop over and visit us at our home office in Lincoln so we can tell you of the splendid progress our agents are making in selling our liberal contracts designed to provide complete family protection.

LINCOLN LIBERTY LIFE INSURANCE COMPANY

LINCOLN, NEBRASKA

JOS. ALBIN
President

RALPH H. DOTY
Agency Vice-President



"The Sower"
atop the
State Capitol
in Lincoln

WELCOME TO THE CORNHUSKER STATE

While you are in the Cornhusker State to attend the mid-year meeting of the National Association of Life Underwriters, we cordially invite you to visit Lincoln—the home of the Midwest Life, a company geared to render 100% service to its agents and policyholders.

THE MIDWEST LIFE INSURANCE COMPANY

1339 O Street

Lincoln 8, Neb.

W. W. Putney, Pres.

V. L. Thompson, Agency Vice Pres.

WE EXTEND A HEARTY WELCOME to OMAHA

We extend a hearty welcome to members of the National Association of Life Underwriters. We have always believed that the field force of a life company is of prime importance and to give agents the proper attention and service our executive head has the responsibility of handling agency affairs. If you are interested in representing a company where agents are considered the Number One men, we'll be glad to talk to you while you are in Omaha.

AMERICAN RESERVE
LIFE INSURANCE CO.
OMAHA
RAYMOND F. LOW
PRESIDENT AND AGENCY DIRECTOR

Committees Report on Their Activities

(CONTINUED FROM PAGE 17)

ATTORNEY COOPERATION

arial mortality data to support the theory that these policies may be written at a substantially lower rate than ordinary. Many members of the committee feel that a mutual company is discriminating against the policyholder and is endangering the commission structure when it loads a special policy differently from its regular forms and pays a lower commission. The same objection applies to new contracts being issued on the endowment plan, he said. On many of these forms the commissions are being drastically reduced.

While the committee does not undertake, at this time at any rate, to outline what should be the definite terms of a compensation plan, it contends that any plan that is adopted should pay the career agent for work well done, and that vested renewals should not go to that agent who leaves the company prematurely or who leaves the business.

As to the social security act, the committee stated that most commission compensated agents desire to come under the O.A.S.I. provisions if such provisions are extended to cover the self-employed. In such an extension, the committee pointed out, the question of whether renewals will constitute income within the meaning of the act, is important to the agents.

In leading up to its recommendations, the committee gave an analysis of the duties of the agent including: To find and sell the proper policy to the client with whom the agent is equipped to do business; deliver the policy and to watch carefully its conservation; make all changes upon policies, however small; to watch particularly changes in a client's life situations; to give service in cooperation with attorneys, tax counsel and trust officers in such matters as taxation, trusts and laws; to develop in the client respect and confidence.

The agent's well being and success, the committee emphasized, is conditioned very largely by the attitude of the agency head and the manner in which he conducts his business. This suggests such questions as: Is the agency head giving his men all of the leads which come into his office including conversion of term insurance upon orphan policyholders, or is he allowing his cashier, or is he, himself, writing these cases? Has the agency head allowed men who have been failures in other lines to come into the organization with the thought that ultimately he may profit from the vested renewals?

CONSERVATION

Close to 5,000 are expected to qualify this year for the national quality award, according to Harold Smyth, National Life, Hartford, who reported as chairman of the committee on conservation. The closing date for filing applications is March 31. Last year there were 1,300 qualifiers.

The program got a big lift this year because the problem was solved of assigning volume credit for weekly premium and monthly industrial business and because of a well developed promotion plan. Mr. Smyth reviewed the various steps that have been taken to publicize and promote the project. Many more men in the industrial field are applying for the award this year.

The reason for excluding group insurance and annuities involving no life insurance is the lack of a system for crediting production on a basis comparable with ordinary and computing a comparable persistency rate.

The task of checking and approving the applications is being handled by the headquarters staff of N.A.L.U. and L.I.A.M.A.

G. F. B. Smith Peoria Speaker

George F. B. Smith, assistant vice-president, was the speaker at a dinner given by Chester T. Wardwell, Peoria general agent, celebrating the 100th anniversary of Connecticut Mutual Life.

The statement of principles adopted some years ago jointly by the N.A.L.U.

and committees of the American Bar Association is in process of revision because of the changes which have taken place during the last five years, George E. Lackey, Massachusetts Mutual, Detroit, reported as chairman of the committee on cooperation with attorneys.

There is to be formed what is known as a national conference group consisting of five attorneys and five insurance men. Such a program has already been approved by the American Bar Association. This committee will meet periodically to discuss cooperation in the field of estate planning and taxation.

Mr. Lackey said the appearance should be encouraged of qualified lawyers to speak before life insurance groups and vice-versa. He suggested that local associations of 100 or more get up a statement based on a questionnaire of the amount of legal work life insurance men give to attorneys. Law school deans should be encouraged to provide their students with instruction in life insurance and collateral subjects.

Young life insurance men and attorneys should be encouraged to specialize in the advanced field of estate planning and conservation.

An annual luncheon might be held for lawyers to be addressed by a member of the N.A.L.U. committee.

The presidents of state bar associations should be informed that qualified life insurance men are available to speak on their programs.

TRUST MEN COOPERATION

Paul H. Conway, John Hancock Mutual, Rochester, reporting as chairman of the committee on cooperation with trust officers said that the joint committees today are so well synchronized and coordinated that little more could be desired along these lines. Very seldom do problems arise from misunderstandings. When any problem arises it is promptly resolved to the satisfaction of all. He emphasized the desirability of referring any issues to one or the other of the committees rather than making a fuss about it.

LAW AND LEGISLATION

The first and foremost objective in the field of federal tax legislation is to bring about correction of the estate and gift tax discrimination against life insurance.



Judd C. Benson

Chairman Judd C. Benson, Union Central, Cincinnati, declared in his report as chairman of the law and legislation committee.

Insurance contracts and premiums should be placed within the classification of assets that may be transferred beyond the reach of estate tax without liability to gift tax, the committee emphasized.

Disrimination against insurance, the committee reiterated, arises out of adoption of the "premium payment test" established by Treasury Decision 5032 followed by amendment of the internal revenue code in 1942. Prior insurance payable to named beneficiaries could not be taxed as a part of the estate if all of the incidents of ownership had been transferred prior to the death.

The Treasury was eager to close a so-



George E. Lackey

called loophole for tax avoidance and prevailed upon Congress to adopt a measure for computation of the gross estate which seriously discriminates against insurance. Presently the proceeds are taxed as part of the estate if at the time of death the decedent possesses any incident of ownership or to the extent that the proceeds were purchased with premiums paid directly or indirectly by the decedent.

Cites Unfairness

The committee pointed out that a person may diminish his taxable estate by giving away property, paying gift tax if the value is in excess of the allowable exemption and exclusions. Transfer of insurance is not excluded from gift tax liability but is treated like transfers of other property and premiums thereafter paid by the transferor, to the extent they exceed the statutory exclusion, are subject to gift tax. Having borne the transfer tax imposed upon gifts, there is no sound reason for discriminating against insurance proceeds by requiring that they be added thereafter to gross estate in measuring estate tax. An irrevocable designation of a beneficiary and an irrevocable assignment of a policy both give rise to gift tax. After such transfers the value should no more be included in the estate of the transferor than the value of other property that has been irrevocably assigned.

Recognition should be given to the propriety of including insurance contracts and premiums within the classification of assets that may be transferred beyond the reach of estate tax without liability to gift tax.

Such legislation, the committee stated, would encourage purchase of a reasonable amount of insurance to accomplish the desirable purposes recognized by Congress in 1918 when insurance payable to other beneficiaries to the extent of \$40,000 was exempted from estate tax. It would also mitigate the burdens that now preclude the purchase of insurance to provide a fund for payment of estate taxes.

Bankers Give Aid

The committee remarked with satisfaction that the committee on taxation of the trust division of the American Bankers Association has included in its proposed amendment a strong statement in criticism of this discrimination.

The committee stated it continues to urge amendment of the revenue code to clarify the definition of the phrase "possibility of reverter"; so that the proceeds of either life insurance or annuities acquired by assignment will be taxed as though they had been originally acquired by the assignee if the beneficiaries by

reason of relationship or otherwise are entitled to the bounty of the insured; to simplify the method of taxing commissions receivable by the estate or beneficiary of a deceased agent, to relieve an agent assignor, who makes a complete and irrevocable assignment of all interest in a renewal commission contract, from the present burden of tax upon income enjoyed by the assignee. There is an existing discrimination against income received from such contracts as compared with income from other assets; to protect by legislative sanction decisions by the courts which hold that proceeds of policies are entirely exempt from income tax if payable as the result of an election by the beneficiary under an option contained in the policy; to revise the basis of taxing annuity payments so that, subject to reasonable protection against tax avoidance, the tax will be imposed upon a sound "recovery of cost" basis. But if this method be not acceptable, to revise the income factor in each annuity payment so that the amount taxed as income will not exceed the interest portion of the payment.

Self-employed persons, the committee stated, should enjoy the same incentive deductions to purchase an annuity as are provided for corporations. The self-employed man should be permitted a deduction from gross income equivalent to 10% of the initial cost of an annuity and a deduction up to 5% of his annual earned income if this amount is paid during the year as additional cost of the annuity. Under the present situation, the committee charged, there is a discrimination against the professional man and other self-employed persons and in favor of the executive employed by a corporation capable of setting up a pension or retirement plan. This last recommendation should be coupled with the proposal to allow a deduction of a reasonable amount of premiums paid for life insurance from gross income in calculating income tax. This should also include deduction for considerations paid for retirement annuity. The committee expressed the belief that the association should not advocate a credit against the tax itself as is provided in the bill of Senator Langer.

STATE AND REGIONAL

Lynn S. Broadus, Guardian Life, Chicago, chairman of the committee on state and regional associations, stated that by June there have been held 29 conferences with local and state leaders in 34 states and District of Columbia. Thus, the program will have touched approximately 93% of the membership. There were 116 official visits made to 100 local associations.

The committee stated it is particularly interested in the Robertson case decision of the U. S. Supreme Court and in the project to amend the definition of group life insurance.

NATIONAL WAR SAVINGS

E. M. Spence, Provident Mutual, Indianapolis, chairman of the committee on national war savings, said that in the final analysis the life insurance people have been amply repaid for their work in the war bond field, not only by the knowledge and satisfaction of having made a vital and important contribution, but also by their enhanced prestige in their communities.

At the end of 1941 he recalled there were 700,000 employees buying bonds at



WITH 50 YEARS OF PROGRESS BEHIND US

We are especially pleased to welcome The National Association of Life Underwriters to Nebraska for this is a particularly significant year for Security Mutual Life. With 50 years of progress behind us we now have our eyes on the century mark. We are proud of our record but we are confident that with our background of achievement our growth and service will be further accelerated during the next 50 years.

THE SECURITY MUTUAL LIFE INSURANCE CO.

LINCOLN, NEBRASKA

Welcome

"LIFE UNDERWRITERS"

to **OMAHA**
and the

SERVICE LIFE

HOME OFFICE

Drop In and renew old acquaintances, or come in and get acquainted while you are in Omaha.

John A. Farber
Pres.

The SERVICE LIFE INSURANCE COMPANY

OMAHA 2, NEBRASKA

Greetings! N. A. L. U. Members

While in Omaha for your mid-year meeting be sure to visit our home offices at 33rd and Farnam Streets. Women underwriters will be especially interested in how we operate our coast to coast fraternal society for women and girls and the service and benefits we offer under our insurance plans.

**Supreme Forest
WOODMEN CIRCLE**
Omaha, Nebraska



Lynn S. Broadus



Eber M. Spence

the rate of \$5 million a month. Just before the end of the war with Germany there were 27½ million people buying at the rate of \$500 million.

This greatest adventure of thrift in the history of man to a great extent is due to the activities of the life insurance people. About 50,000 life insurance men participated in the program.

He said special recognition is due Gale F. Johnston, vice-president Metropolitan Life; W. H. Andrews, Jr., Jefferson Standard, Greensboro; C. H. Orr, National Life, Philadelphia; W. E. Jones of the headquarters staff; L. V. Drury, Sun Life, Philadelphia; George Huth, Massachusetts Mutual, Chicago; Herbert H. Dieter, Ohio; Jonas Touchstone, California; Roderick Pirnie, Massachusetts Mutual, Providence; Gene Reilly, Pennsylvania; W. B. Stormfultz, Delaware, and Lester O. Schriver, Aetna Life, Peoria.

INSURANCE INFORMATION

The committee on life insurance information headed by Steacy E. Webster, Provident Mutual, Pittsburgh was able to cite an impressive list of activities. A one act playlet "But Definitely" portraying the value and uses of life insurance had its premiere at Senn high school at Chicago at the end of February. Copies of the script will soon be made available to all high schools.

More than 200,000 copies of "Life Insurance Dollars in Action" and "The Handbook of Life Insurance" are being used by school children. Local associations should redouble their efforts to bring about a further increase in their distribution.

The booklet "Buying Insurance" is almost ready for release. This was pre-

pared as a result of the study conducted by the National Association of Secondary School Principals, and will appear over its signature. That association will distribute 10,000 copies to high school principals with suggestions for its use in classrooms. Local life underwriters associations will also be asked to urge principals in their cities to have the text used.

A new film on life insurance for use in schools is being prepared in cooperation with the Institute of Life Insurance. "The Search For Security" is the title. It will be released in May.

There will soon be released a multi-colored cartoon booklet "The Man Who Runs Interference." This will be ready in May.

Many associations have used at public meetings the scripts "Life Insurance Reports to You" and "The Economic and Social Contribution of Life Insurance."

The Institute of Life Insurance is preparing a series of advertisements in mat form for local associations. It is hoped that a public relations booklet will be put into production soon.

MEMBERSHIP

According to the present rate of increase the N.A.L.U. membership goal of 45,000 by June 30 will be attained, according to William S. Leighton, New York Life, Minneapolis, reporting as membership chairman. Mr. Leighton suggested that each membership committee make a prospect card on each eligible non-member and assign the cards to solicitors.

WOMEN UNDERWRITERS

Elma Easley, California - Western States Life, Sacramento, chairman of the committee of women underwriters, said that an outstanding program for the women is being planned at Cleveland. She said the women have been urged to qualify for the 1946 quality award and there has been cooperation with the

women's division of the Institute of Life Insurance.

VETERANS AFFAIRS

The veterans affairs program of the N.A.L.U. is a success because the insurance men of the country wanted it to be a success. They stand shoulder to shoulder with the veteran.

This was the message of John D. Marsh, Lincoln National Life, Washington, chairman of the committee on veterans affairs.

Mr. Marsh reviewed in detail the story that has become so well known of educating the insurance man on the problems of the veteran and equipping him to deal properly with matters affecting discharged persons.

Full scale seminars have been held by 276 associations and they have utilized 500,000 pieces of printed matter from national headquarters. Total attendance at these meetings exceeded 32,000.

The flying squadron in its first 20 meetings appeared before 8,000 persons. More than 500 requests for the solution of veterans' insurance problems have come to national headquarters and all have been satisfactorily answered. He emphasized that the association cannot expedite individual cases. All it can do is to give assistance on general matters of procedure and policy.

Fourteen bulletins have been sent out by the committee and division of veterans affairs in the interest of keeping the field informed of changes in laws and government regulations affecting the veteran. As soon as new amendments become law the association will disseminate the information widely.

In 273 places the local life underwriters associations committees function as a part of the veterans service centers.

He warned that the agents should not regard this as a temporary activity. During the last four months of 1945, \$29 billion of N.S.L.I. lapsed. Methods of reinstating it are still simple. The agent should do a continuing job of keeping the veteran on the right track so far as his insurance program is concerned.

BUSINESS STANDARDS

Jack Hilmes, Bankers Life of Iowa, Des Moines, as chairman of the committee on business standards, made a report that was intended to legislate himself out of a job. He said there is an overlapping of functions of his committee and those on agency practices, education and public information and hence he recommends either that the committee be consolidated with some other standing committee or that its functions be more fully defined.

N. Y. Life Makes Many Medical Unit Appointments

NEW YORK—Dr. Roscoe W. Pratt and Dr. William D. Heaton have been appointed medical directors of New York Life.

Dr. Pratt joined the company as a physician in 1923, was promoted to medical supervisor in 1924 and to assistant medical director in 1934.

Dr. Heaton has been with New York Life since 1922. He became medical supervisor in 1924 and assistant medical director in 1934.

New associate medical directors are Dr. Ivan C. Lawler, and Dr. Edson B. Getman. Dr. Lawler became an examiner for the company in 1922, was appointed a member of the medical board in 1927, a medical supervisor in 1931 and assistant medical director in 1937.

Dr. Getman, who has been a lieutenant colonel in the army medical corps started as an examiner in 1927, joined the medical board in 1929, became a medical supervisor in 1934 and assistant medical director in 1937.

Three new assistant medical directors are Dr. Edward M. Freeland, Dr. Donald R. Auten, and Dr. Albert H. Faber. Dr. Freeland joined New York Life in 1925 as an examiner, became a member of the medical board in 1929 and a medical supervisor in 1934. He served

California Doctors Plan Big "Ad" Campaign for Voluntary Health Cover

SAN FRANCISCO—The California Medical Association is about to start a \$100,000 newspaper advertising campaign to encourage the public to purchase health insurance on a voluntary basis or the prepaid medical plan of the California Physicians Service, which is sponsored by the C.M.A. This announcement was made at the meeting here of the California Association of Accident & Health Managers Clubs by Ed Clancy, executive secretary of the California Committee for Voluntary Health Insurance.

He said the advertising will emphasize the value of health and accident insurance, its importance as a factor for the financial security of the family, its low cost features compared with those based on a bureaucratic state or federal system and the guaranty it provides for advancing health standards by keeping "virile" the fundamental incentives of the medical profession.

Stress Value of Better Care

"We are to hammer home the fact that better care, the care provided by the family physician," Mr. Clancy said, "means better health and that health and accident insurance means life saving insurance."

"Our objective is to make all Californians health insurance conscious and have them voluntarily obtain some form of this protection. With this accomplished, we will eliminate all basis for the clamor for compulsory health insurance by bureaucrats, and will have eliminated their attempts to control our lives—as least as far as insurance and medicine are concerned."

Mr. Clancy said that his organization will soon conduct a state-wide "Voluntary Health Insurance Week" and suggested insurance companies tie in their advertising with this general theme during that period.

"We want the cooperation of the insurance business and the medical profession for the mutual preservation of both," he said. "We want it now and we want it any time in the future when our American free enterprise system is attacked by any source."

Hospitalization Control Bill Is Ready in W. Va.

CHARLESTON, W. Va.—The legislative interim committee's bill on the regulation of hospital service corporations has been perfected, and will be introduced in the special session that convenes March 18.

Ten service corporations have been in operation in the state for 10 years, but no act has heretofore been passed governing their licensing and regulation. The last two regular sessions of the legislature have passed bills exempting these corporations from the insurance laws, due to the fact that it was impossible to get a bill in the legislature that could be passed as a great many doctors are opposed to the regulation of service corporations. This bill is not the standard Blue Cross bill.

There is no other legislation to be taken up at this special session that insurance people will be interested in.

in the army medical corps as a lieutenant colonel.

Dr. Auten, lieutenant commander in the navy medical corps, joined New York Life as a physician in 1940 and became a medical supervisor in 1942.

Dr. Faber started with the company in 1928 as an examiner and became a medical supervisor in 1945. Dr. Robert R. Gillespy and Dr. Howard L. Houge have been appointed members of the medical board. Both have been in service. Dr. Gillespy started with the company as an examiner in 1927.

The WORLD WELCOMES YOU TO OMAHA

IT IS WITH GREAT PLEASURE that we welcome the National Association of Life Underwriters to its mid-year meeting in Omaha.

For over 40 years we have been one of the leaders in the accident and health insurance field.

If you are interested in selling complete personal insurance protection—life-accident-health-hospitalization—we will be glad to discuss territories which are now available.

Plan to call upon us when you are in Omaha.

WORLD INSURANCE COMPANY

Baird Building

Omaha

Sales Ideas and Suggestions

Dwight G. Johnson Discusses Production Quotas of Agents

Dwight G. Johnson, general agent of Continental Assurance at Philadelphia, who made a detailed study of agency production, gave the results to the annual meeting of the General Agents & Managers Association of the company at Chicago last week.

It is Mr. Johnson's opinion that the ratios developed in his study will be of value to general agents in gauging the production prospects of newly recruited agents.

He said that regular production is a guaranty of success, but it is a mistake to expect the figures for each month for the agent, agency or company to be one-twelfth of the total for the year or to set such monthly goals in anticipation of an assumed annual production. Quotas set by general agents or companies, as well as the personal objectives of agents, should be gauged goals based on factors of which there is statistical proof. Any other procedure will be disappointing through lack of industry in certain periods and wasted effort in others.

Research Bureau Figures

Distribution monthly of ordinary insurance sales for the past 15 years was determined by the Sales Research Bureau to be:

January	8.4%	July	8.1%
February ...	8.4%	August	7.8%
March	9.7%	September ..	7.0%
April	26.5%	October	22.9%
May	8.8%	November	8.1%
June	8.7%	December ...	8.2%
	26.1%		24.5%

Actual sales, due to contract or rate changes effective four times in the period studied, were 9.4% in January and 9.6% in December. These special circumstances caused sales to be "borrowed" from other months. A reduction of 1% for those two months, therefore, was made and the 2% was spread over the other ten months at the rate of .2% each. It is believed that this adjustment makes a proper correction and permits the table to reflect normal conditions of production.

Fluctuating Quota Set

For an agent desiring to produce \$600,000 in the year, the monthly quota, therefore, is not \$50,000 but fluctuates from 8.4% in January and February or \$50,400 and 9.7% in March or \$58,200 to only 7.2% or \$42,600 in September. This is a scientific way of planning efforts and judging current results.

The same method applies to a smaller producer, though possibly checks upon him should be enforced only on a quarterly basis. Quite definite, however, is the fact that 52.6% of a year's production is to be achieved in the first six months or the attainment of the annual goal will be difficult. Mr. Johnson applied the table to his personal production records for the past 10 years. In that time only five months went out of line, distortion by extremely large cases, consequently it appears to him that a method of gauging production that runs within 4% of performance is of value.

Schedules May Be Revised

If an agent, having set a quota for himself, finds production is running ahead of the percentages in the table, he should revise his year's goal to correspond. For example, if having hoped for \$400,000 for the year, the agent finds he wrote \$42,000 in January, \$39,000 in February and \$51,000 in March instead of the calculated \$33,600 for January and

February and \$38,000 for March, he revises his total for the year to \$502,000 by dividing the first quarter's production by 26.5 and multiplying by 100. April production (8.8% of the year), therefore, should be \$44,175 and May's \$43,675, etc.

On the other hand, if production lags, the agent cannot look upon the situation as merely meaning he is \$10,000 or \$20,000 behind in the first three months. Based on a year's production, if monthly quotas as shown by the table are not met, the difference is perhaps \$45,000 or \$90,000 for the year. Realization of this fact—the loss of commissions on that volume—will cause the agent to put forth greater efforts.

Managers or general agents in using the table to plan production must take account of recruiting and revise their annual estimates. If a new agent is assumed to be a \$200,000 producer and his contract is dated July first, obviously the agency's goal should be increased by 47.4% of that figure or \$94,800 and monthly quotas should be adjusted accordingly.

Contests Are Suggested

The offering of prizes and the staging of contests may be arranged to bring the calculated lower months up to one-twelfth of the total desired for the year. When things are going well, stimulation can be held in reserve but on the other hand avoidance of self-congratulation will be gained. For instance, it is nothing to feel satisfied about that October is 15% better than September; it should be relatively by the table. If October doesn't show that improvement, then the manager knows there is trouble and can look for the reason. On the contrary, that September looks poor compared to July or August is not a cause for panic. The manager merely puts the goals where they should be for his men in October and gives them more wise counsel or possibly a little incentive to get them in the right attitude to produce the required volume for October.

Sales Distribution

Age of Applicant	Percent of Volume
Juvenile	6%
11-20	4%
21-25	6%
26-30	11%
31-35	18%
36-40	19%
41-45	15%
46-50	10%
51-55	6%
56-60	3%
61-65	2%
	100%

Agent's Effectiveness

Agent's Age	Prospects Age Group	Effective Period	Value Index*
25	20-35	15	35
30	20-40	20	54
35	20-45	25	69
40	25-55	30	79
45	30-65	35	73
50	35-65	30	55
55	40-65	25	36
60	45-65	20	21

*To be increased by juvenile in writing of which older agents are more than relatively effective.

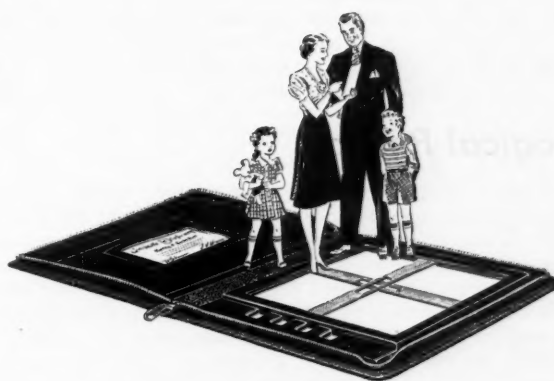
Sue to Recover Ohio Taxes

Virginia Surety has sued to recover \$4,676 and interest on protested taxes paid in Ohio, alleging that the law is discriminatory and unconstitutional.



"OH, YES - I KNOW THEM WELL -- A STRAIGHT LIFE AND THREE 20-YEAR ENDOWMENTS."

IT MUST BE GOOD!



Since V-J Day we have scheduled more Home Office Analograph

Schools for more men than in any similar period of time since

the Analograph was introduced in 1937.

Our Analographers today form a larger proportion of our

agency membership than at any previous time.

**The Mutual Benefit
Life Insurance Company
Newark, New Jersey**



EDITORIAL COMMENT

Actuarial Society Opens Doors

Welcome tidings have been received from President E. W. Marshall of the Actuarial Society of America that the council of the society had changed a long standing precedent so that meetings of the society will be open to accredited press representatives. We hasten to praise this decision and to express the hope that the newspapers, both the dailies and in the trade, will so value this opportunity to report by first impression the gatherings of this great learned society that they will endeavor to handle the assignment in the most intelligent and painstaking way possible.

This represents a real concession on the part of this society. It is bound to affect to some extent the character of its deliberations and the tradition of privacy is always hard to abandon.

The actuaries at these meetings are

dealing in fine distinctions. They speak with the knowledge that they are talking to men of equally refined and specialized education and the actuaries are very economical of their words. They don't supply at these meetings the type of fill-in and background that is needed by a reporter who is not a specialist, so it will behoove the reporters to work closely with the press committee.

This new policy, we hope, will lead to an increased recognition of the power for wise leadership that the actuaries possess; both within the industry and in national economic areas. What they may lose through lack of privacy, we hope and believe they will more than make up in the way of extending their influence through the publicizing of their very logical conclusions and reasoning.

Limitation on New Agents

Northwestern National Life's limitation plan for rigidly limiting the number of new agents a general agent may take on is being watched with a great deal of interest by all in the agency end of the business. A prominent general agent who has a potent voice in agency practices said he would not be surprised if the plan resulted in the company winding up the year with more new agents than without the restriction.

One result will be that the general agent of Northwestern National who is seeking new men will select with the utmost care. Fortunately that company's emphasis has been on quality recruiting but even so the general agent's

knowledge that he is limited to a certain number of new men will obviously make him want to be surer than ever that he is right before he goes ahead.

Even if the net result should be fewer good new agents than without the limitation, the step is deserving of commendation. The greatest danger life insurance selling faces is that of unrestricted recruiting. Examples like that of Northwestern National's new-agent limitation serve as a dramatic symbol to those who might be inclined to shed their agency practices ideals and go back to indiscriminate recruiting as soon as they think they see their competitors doing it.

Want Logical Reason

Policyholders will exact a logical reason for making application for insurance especially when the old time trite argument is presented that a man needs to take insurance to round out his amount. For instance a man might carry \$8,500 and the agent would insist on him taking enough to make it \$10,000. He might have \$16,000 and be urged to make it \$20,000, etc.

Such an appeal today has little moti-

vating power because the public is thinking in terms of the pension power of insurance. Prospects naturally will inquire now why that specific amount is necessary. Why would not one-half of the amount serve the purpose or perhaps more than was suggested. Life salesmen are finding an entirely different attitude on the part of prospects. They want to know the reason why. They are all from Missouri.

Insurance More Self-Governing

Notwithstanding the jolt that insurance received through the S.E.U.A. case and the U. S. Supreme Court commerce decision it has righted itself in wonderful shape and is on the forward

march toward greater and nobler achievements. The organizations of insurance will now be far more self governing than they have been in the past. The financial stability of insurance com-

panies has not been questioned at all. There has been no fear whatever in that direction.

Already those organization leaders that are farseeing and have a prophetic eye declare that the public is being served more effectively than ever before. There will be a call for insurance associa-

tions to follow new paths and establish new courses whereby they can become service giving in a day that they have not before. Leaders in the organized life of the business are giving much thought to what can be done to do a better job and give to the public a more extended and richer service.

PERSONAL SIDE OF THE BUSINESS

Business Men's Assurance honored J. H. Torrance, senior vice-president, for 35 years of service with the company. In the presence of officers, W. T. Grant, chairman, presented Mr. Torrance a diamond studded service pin.

He went to Kansas City in 1911, two years after the organization of the B.M.A., and started in the claim department. Soon afterward he became head of the claim department and later was elected vice-president. He has been very active in church and civic affairs in Kansas City and in the Health & Accident Underwriters Conference, in which he has held many official posts.

H. Kennedy Nickell, Connecticut General Life, president Chicago Association of Life Underwriters, was one of the group on hand at Fulton, Mo., for the sensational speech of Winston Churchill. Mr. Nickell is a native of Fulton and attended Westminster college there. He is delighted that his school was the scene of this momentous appearance and he says that from now on in he will thumb his nose at anyone that asks him where Westminster college is located.

Joseph M. Conover, assistant vice-president Penn Mutual Life, has marked his 50th year with that company. He was appointed purchasing agent in 1900 and today supervises both the department of purchases and supplies and the service department. Mr. Conover organized and for 10 years was president of the Penn Mutual Association.

During the Red Cross drive in Owen County, Kentucky, Robert G. Nixon, general agent of Ohio National Life, served as fund campaign chairman. His leadership in civic affairs was also recognized by the National Junior Chamber of Commerce. It presented him with the distinguished service award.

J. C. Higdon, president of Business Men's Assurance, has been named by "Swing," a national magazine published by radio station WHB in Kansas City as the "man of the month," in special tribute to his service this month as general chairman of the Red Cross campaign in Kansas City.

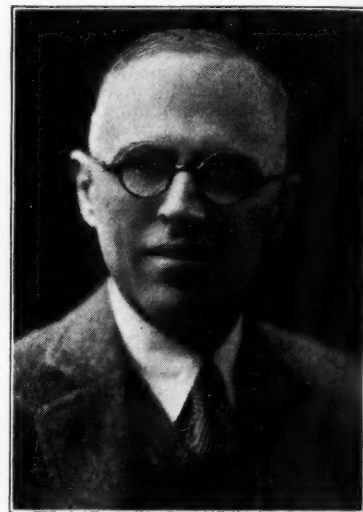
Howard S. Hatfield, Massachusetts Mutual general agent at Sioux City, Ia., was recently reelected to a fourth term as president of the Sioux City Civic Music Association.

years ago, he had been with Standard Oil in Minnesota as field supervisor.

Gus B. Barlow, 86, formerly with Federal Life in Chicago and Columbus, died. He was in charge of the company's Ohio department at the time of his retirement. Before entering the insurance business he published the Portsmouth, O., "Press."

James A. McVoy, 69, former life company executive who at one time was connected with the Missouri insurance department, died in Mobile, Ala. Services were held Friday in St. Louis.

Mr. McVoy joined the old Central States Life of St. Louis about 1912 and soon became vice-president and general manager. Several years later when the



JAMES A. McVOY

late Frank P. Crunden, president, was elevated to chairman, Mr. McVoy advanced to president. He resigned from that post in 1933 but remained with the company for about a year in an advisory capacity.

From 1934 to 1936 he was president of Liberty National Life, Poplar Bluff, Mo. Later for brief periods he was with Missouri Insurance Co. of St. Louis and Pyramid Life of Kansas City. In recent years his health had not been good and he had withdrawn entirely from the insurance business. He resided in Mobile for four years.

Andrew Potous, who had been with the Pittsburgh agency of Ohio State Life for 17 years, died there.

William W. Cole, assistant secretary of General American Life, a man who had been an accident and health specialist since 1916, died at a St. Louis

DEATHS

George L. Hahn, 43, Montana general agent of Loyal Protective Life, died at Missoula after a year's illness. He graduated from the University of Minnesota, where he majored in insurance. Before taking over the Montana agency eight

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hospital less than six hours after he had been taken there. He was stricken after leaving the office for lunch.

He started with Aetna in 1916 and in 1923 went with the old Missouri State Life. He became assistant secretary and manager of the A. & H. department of General American Life in 1933. He was a former president of the Accident & Health Underwriters Association of St. Louis.

George W. Mackintire, 90, for 34 years treasurer of State Mutual Life and long chairman of its finance committee, died in Worcester Sunday. He spent many years in the banking field.

Presumption of Death Is Not Established

Finding that there was no evidence to indicate that the death of the assured occurred at some particular time, the Wisconsin supreme court overruled the Kenosha municipal court and held against the beneficiary who sought to establish that her husband, missing more than seven years, died before the policies lapsed. No premiums were paid after he disappeared. Hubbard vs. Equitable Society is the case.

The assured is (or was, as the beneficiary contended) Eugene W. Hubbard. Ten thousand dollars of insurance was involved.

Hubbard was a Chicago attorney. Because of heavy drinking he lost his law job in 1935 and later joined Chicago Title & Trust Co. He has not been seen by his family since May 16, 1936.

Mrs. Hubbard argued there was no motive for his disappearance. After he was gone she notified Equitable. Roland Hinkle, the agent, wrote to Alpha Tau Omega houses, asking to be notified if Hubbard appeared, he being a member of that fraternity. The police and other relatives were notified.

The day he disappeared he was jailed at Morton Grove, Ill., because he didn't pay a cab fare.

May 18 he went to the office of Attorney Emil Levine of Chicago and took some of Mr. Levine's checks. He unsuccessfully tried to cash a forged check the next day at the Alpha Tau Omega house at Madison, Wis., but got a relative there to cash it later in the day.

May 22 he turned up at Los Angeles and tried to cash a check.

Before he left home there was friction with his family because of his drinking, but otherwise, according to the testimony his family life was normal.

No premiums were paid after Hubbard's disappearance. One policy lapsed Feb. 1, 1937, another ran on extended insurance to May 26, 1937, and another continued on a paid up basis to Jan. 21, 1939.

The supreme court said Mrs. Hubbard had the burden of proving not only that the presumption of death from seven years' absence prevails but also that death occurred soon after the disappearance.

The court held there is no credible evidence to sustain the finding that Hubbard died some time between May 26, 1936, and Feb. 1, 1937.

Vandrell & Vandrell of Kenosha were attorneys for Mrs. Hubbard while Shea & Hoyt of Milwaukee appeared for Equitable.

Third Mutual Benefit School

Mutual Benefit Life is conducting third postwar home school with 14 students in the programming training, called the Analograph.

Each general agent has his individual training plan approved by the government under the G.I. bill, and the four-week Analograph school is included in the plan.

The March school is directed by Edward C. Hawes, director of education, assisted by Pat M. Ryan, general agent at Minneapolis; Russell B. Knapp, manager at Des Moines, and Paul E. Conklin of Washington.

Ratio of Surrenders and Lapses for Insurers Licensed in N. Y. Remained in 1945 at Low Level of 1.56

The ratio of lapses and surrenders to insurance in force was exactly the same in 1945 for companies operating in New York, as in 1944, the figure being 1.56%.

The amount of lapses and surrenders in 1945 was \$1,231,801,193 compared with \$1,179,585,474 for 1944. The ratios are based on insurance in force at the beginning of the year. Group insurance

is excluded in computing the ratios as is industrial. The ordinary insurance in force of these companies at Jan. 1, 1945 was \$78,910,373,557.

The low lapse and surrender ratios reflect the fact that policyholders who have insurance have the money to keep paying for it. The ratios also reflect the improved sales methods today.

To what extent these exceptionally favorable ratios are due to a high general level of prosperity and to what extent they are the result of better selling methods would be difficult to analyze. The test of sales methods as a force for conservation will come when the economic pinch hits a sizable segment of the population.

	Amount Surrender	Amount Lapse	Total of Lapses & Sur.	1945 %	1944 %		Amount Surrender	Amount Lapse	Total of Lapses & Sur.	1945 %	1944 %
Aetna Life	27,956,201	29,949,313	57,905,514	2.72	2.62	Monarch	261,170	2,041,281	2,302,451	5.11	6.15
Amalgamated	3,792,022	13,923,568	17,715,590	2.00	2.01	Morris Plan	12,350	12,350	12,350	0.39	0.39
Bankers, Ia.	2,203,808	2,532,840	4,736,648	1.86	1.88	Mut. Ben.	21,275,695	3,269,494	24,545,189	1.12	1.00
Berkshire	2,427,004	1,581,710	4,008,714	1.74	1.57	Mu. Can. (U.S.Br.)	202,500	39,198	241,698	2.05	1.83
Canada (U.S.Br.)	115,000	315,000	430,000	1.46	.53	Mutual, N. Y.	30,532,990	26,703,459	57,236,449	1.54	1.68
Church Life	458,358	2,404,753	3,863,111	5.34	4.68	Mutual Trust	1,658,187	3,055,621	4,713,808	1.93	1.81
Colonial	1,257,987	3,476,194	4,734,181	2.21	2.48	National, Vt.	4,022,947	3,038,696	7,061,643	1.04	1.17
Columb. Natl.	452,074	970,642	1,422,716	4.24	6.40	New Eng. Mut.	12,434,205	10,420,742	22,854,947	1.21	1.16
Confed. (U.S.Br.)	14,725,984	19,031,581	33,757,565	3.25	3.45	N. Y. Life	31,772,354	67,221,400	98,993,754	1.29	1.34
Conn. Genl.	13,013,773	10,078,131	23,091,904	1.79	1.77	North Amer. Re.	1,086,500	13,874,200	14,960,700	6.70	4.57
Conn. Mut.	1,908,940	6,748,835	8,657,775	2.78	3.13	N. W. Mut.	23,518,516	11,966,347	35,484,863	0.80	0.77
Cont. Assur.	1,361,339	1,752,694	3,114,033	1.91	2.02	Old Rep. Crd.	11,081	35,428	46,509	0.08	0.15
Continental, Am.	44,865	251,425	296,290	1.16	2.50	Paul Revere	169,910	2,878,437	3,048,347	5.88	6.27
Credit	20,375	45,050	65,425	0.89	16.30	Penn Mut.	13,362,735	12,697,735	26,060,470	1.21	1.38
Eastern	29,838,353	34,766,430	64,604,783	1.22	1.28	Phoenix Mut.	4,916,188	5,031,469	9,947,657	1.26	1.45
Empire State	3,266,843	6,704,729	9,971,572	1.42	1.45	Postal	408,491	292,241	700,732	1.77	2.26
Equit. Soc.	251,239	795,500	1,046,739	2.99	1.97	Prov. Mut.	9,011,451	4,735,493	13,746,944	1.25	1.39
Expressmen's	264,321	4,926,679	5,191,000	5.17	7.15	Prudential	75,745,668	85,426,255	161,171,923	1.31	1.29
Farm Bureau	215,971	1,331,517	1,547,488	2.26	2.23	Security Mut.	683,903	2,599,419	3,283,322	2.40	2.82
Fed. L. & C.	20,676	271,015	291,691	4.58	7.73	State Mutual	3,739,536	2,332,834	6,072,370	0.89	1.03
Fidelity Mut.	2,021,845	3,702,050	5,723,895	1.33	1.37	Teachers	370,022	363,619	733,641	1.06	1.06
Guardian	3,079,749	3,246,624	6,326,373	1.08	1.18	Travelers	31,722,681	67,005,701	98,728,382	2.91	2.78
Home, N. Y.	2,829,117	4,412,538	7,241,655	1.36	1.25	Union Central	8,523,581	6,184,419	14,708,006	1.24	1.27
Imperial (U.S.Br.)	324,698	70,939	395,637	2.25	2.62	Union Labor	141,692	267,924	409,616	2.97	3.61
John Hancock	24,406,388	88,631,168	113,037,556	2.86	3.37	Union Mut.	910,929	2,069,956	2,980,885	2.52	3.14
Loyal Prot.	36,800	553,308	590,108	7.50	8.72	United Benefit	1,548,952	37,483,520	39,032,472	11.70	11.45
Luth. Mut.	608,028	796,995	1,405,023	1.31	1.49	United Mutual	9,500	1,302,500	1,312,000	33.32	...
Manhattan	1,958,710	3,358,589	5,317,299	4.06	4.21	U. S. Life	2,871,233	9,147,584	12,018,817	12.30	5.99
Mass. Mutual	22,932,281	8,013,680	30,945,961	1.41	1.47	Victory Mutual	25,166	1,566,736	1,591,902	11.55	10.51
Mass. Prot.	210,396	555,816	766,212	1.60	1.73						
Metropolitan	85,648,482	70,959,227	156,607,709	1.02	1.11	1945 Total	522,587,616	709,213,577	1,231,801,193	1.56	...

Purdue Marketing Course Analyzed in N.A.L.U. Booklet

An interesting 24-page brochure on the course in life insurance marketing at Purdue University conducted by A. R. Jaqua has been published by the National Association of Life Underwriters. It was written by Donald F. Barnes, director of research, and is being distributed to local associations throughout the country, and to companies and interested schools. The purpose of the study is to examine impartially the potentialities and pitfalls that exist in the underlying idea of the course.

Still in Experimental Stage

"It is true the Purdue course is in the experimental stage of trial and error," the booklet states. "Its faculty is the first to admit this. But through such instruments as this course there may be opening a new field in life insurance training. It is entirely possible that this trial may eventually result in the training of most life underwriters

by established educational institutions, as those in the professions are trained.

"It may mean that small companies, without highly organized training plans of their own, may find in the Purdue plan the exact solution they have been seeking. Or it may mean that a new type of training, involving as it does the common study of many men from many companies, will be superimposed on the basic training program of the companies. At the very least, it opens an entirely new area of relationship between the institution of life insurance and the nation's educational institutions.

"What the Purdue plan will eventually amount to depends on the mature thought and consideration given to it by all life insurance people. It surely is worthy of such thought and consideration."

Negro Insurers Sponsor Contest

The National Negro Insurance Association is sponsoring a contest, as a forerunner of National Negro Insurance Week, under which \$1,400 in government savings bonds will be awarded to those

who best complete in 25 words or less the sentence: "People should buy life insurance because . . ." The contest closes May 11. Negro insurance week is May 13-19.

The contest may be entered by anyone except employees of an insurance company or agency. Prior to the war the organization sponsored essay contests among high school and college students.

First prize will be a \$500 bond, second \$200, third \$100 and a \$25 bond will be awarded for the best entry from each state in which member companies operate.

There will be three judges in each state and they will send the three best statements to the national judges.

The contest is being extensively publicized by placards and pamphlets.

N. J. Savings Bank Bill Opposed

A measure was introduced in the New Jersey assembly to permit savings banks in New Jersey to write up to \$3,000 life insurance and up to \$7,500 in mortgage coverage, but opposition developed, especially on the mortgage coverage.

FIGURES FROM DEC. 31, 1945, STATEMENTS

	Total Assets	Increase in Assets	Surplus to Policyholders	New Bus. 1945	Ins. in Force Dec. 31, 1945	Increase in Ins. in Force	Premia Income 1945	Total Income 1945	Benefits Paid 1945	Total Disburs. 1945
Atlantic Life	44,749,555	3,206,080	1,629,384	15,629,347	160,660,945	8,303,815	4,350,833	7,634,812	2,393,701	4,486,928
Bankers H. & Life	5,150,357	798,973	1,011,535	13,596,753	47,478,331	3,341,502	2,551,561	2,792,368	659,184	1,983,432
Beneficial Stand.	1,188,466	413,616	639,971	1,905,718	1,869,375	—36,343	54,170	1,292,656	6,986	907,936
Bus. Men's Assur.	49,422,723	6,459,082	4,029,359	49,881,465	225,382,612	27,349,590	13,884,397	16,344,508	5,205,284	11,098,357
Central Assur.	585,535	55,357	367,322	391,838	1,913,848	204,402	57,648	199,113	14,817	143,261
Cuna Mutual	945,126	110,382	508,631	5,608,329	89,147,297	9,875,014	733,769	756,374	559,222	644,402
Golden St. Mut.	2,044,468	509,597	758,466	10,876,112	23,661,862	5,405,350	1,426,116	1,582,348	237,517	1,104,591
Home Friendly	6,499,788	684,910	1,439,326	5,286,402	35,052,109	1,239,628	1,433,951	1,730,613	420,438	1,108,552
Jefferson Natl.	2,428,166	543,926	836,195	6,704,567	27,245,390	4,742,958	755,248	1,025,552	127,872	479,539
Manhattan Life	36,725,107	4,464,080	736,161	24,605,832	148,312,024	18,244,760	6,145,838	8,911,530	1,896,975	4,571,919
Mutual Benefit	1,006,427,438	69,076,166	42,850,046	173,037,879	3,372,337,677	99,189,176	84,481,999	161,867,169	68,904,381	90,190,321
Pacific Natl.	5,407,621	873,378	806,080	11,164,647	39,912,112	6,703,752	1,440,565	1,704,287	213,211	487,394
Rio Grande Natl.	2,278,608	498,300	210,000	6,704,567	40,202,076	3,835,939	1,122,316	1,266,839	220,239	776,928
Southern Aid, Va.	1,736,107	218,031	632,880	3,549,244	9,753,194	596,507	748,101	826,380	180,314	605,962
Southern States	1,406,197	331,827	219,754	3,635,820	16,557,196	4,353,677	731,290	886,103	189,787	545,606
Southwestern Life	126,259,235	13,784,876	10,000,000	62,449,032	512,701,350	30,983,077	18,849,749	24,772,745	5,701,745	11,217,167
Sterling	4,480,387	935,015	3,019,133	12,711,690	48,686,092	—3,391,186	804,361	3,673,703	290,797	2,797,062
Teachers I. & A.	189,050,960	21,686,585	8,499,648	5,637,117	71,326,564	2,083,256	13,154,984	27,780,834	4,849,195	6,551,735
Universal Life	1,196,639	394,838	621,460	10,842,600	22,952,205	4,069,720	1,634,077	1,670,261	472,725	1,378,726
Victory Mutual	1,902,785	259,030	227,729	3,872,207	15,269,286	2,002,112	466,992	548,137	97,092	312,405
Woodmen Cen. Lf.	1,310,892	285,892	161,520	4,210,861	17,028,978	2,775,930	445,374	492,685	39,935	225,171
Broth'd of L. Fir'n	31,213,842	1,873,996	2,238,268	134,531	82,891,928	2,531,709	2,626,894	3,890,952	2,028,618	2,238,268
Nights of Colum.	61,804,466	1,996,800	5,697,681	20,368,500	266,739,561	8,527,274	5,092,090	9,000,119	3,855,892	6,442,427
United Workmen	1,324,039	—4,360	243,655	—	1,714,570	—	45,689	104,191	71,597	610,483
Wood'n of W. Cal.	152,977,392	7,441,451	13,260,292	53,104,391	435,196,759	19,294,645	11,662,588	19,838,388	7,714,090	13,112,069

AMONG COMPANY MEN

Three N. W. Mutual Men Are Back on Job

Three officers of Northwestern Mutual Life who served in the Pacific war theater in the navy have returned to inactive status and resumed their duties with the company. They are Comdr. Gambert Tegtmeyer, assistant medical director, and Lts. Ralph W. Emerson and Laflin Jones, both assistant agency directors.

Dr. Boss Resumes as Home Friendly Medical Chief

Dr. Theodore M. Boss, who was discharged from the army with the rank of major in the fall of 1945, has returned to his post as medical director of Home Friendly of Maryland. He entered the army in the early summer of 1941 as a first lieutenant, serving as medical underwriter in the office of the surgeon general at Washington. Later he was appointed chief of the examination section at the Walter Reed general hospital. He served as the American member of the mixed medical commission prior to overseas duty of four months in the Pacific. Upon return to the United States last

fall, he furthered his studies in medical underwriting, electrocardiography and cardiology at the Cook County Graduate School of Medicine in Chicago and the Mayo Foundation in Rochester, Minn.

Three Union Central Editors Win Advancement

CINCINNATI—Three home office promotions have been made by Union Central Life affecting staff members of "Agency Bulletin," the monthly publication. James A. Maxwell, editor, becomes training editor in the agency department; Robert Sohngen, assistant editor, becomes agency secretary, and Myron Jones, assistant editor, becomes editor. They recently returned from war service.

Mr. Maxwell joined the company as assistant editor in 1937 after extensive experience in advertising and radio work and became editor in 1940. He entered the army in 1942, serving four years and most recently as an agent in the counter-intelligence corps in north Africa.

Mr. Sohngen was appointed assistant editor in 1942 and acting editor after Mr. Maxwell entered the service until his own induction in 1943. He also served in the counter-intelligence corps. Mr. Jones was appointed assistant editor in

1942 and acting editor from 1943 to 1944. He was with the seventh army in Europe and recently returned to civilian status.

Miss Anderson Vice-President

Reserve Life of Dallas elected Gladys Anderson as vice-president.

The company expects to enter additional states in the middle west and south during the next few months.

Miss Anderson has been with the organization since its beginning and is chief underwriter.

Conklin Returns to Guardian

After 22 months of military service, George T. Conklin, Jr., has returned to Guardian Life as assistant to the president and director of research. A graduate of Dartmouth, he received his Ph.D. in economics from Columbia. He is taking his doctor's degree in social science at the New School for Social Research, New York City. His most recent army assignment was that of renegotiation and contract termination negotiator.

Kimball Travelers Supervisor

Thomas H. Kimball has been appointed assistant district group supervisor for Travelers in Boston, Worcester, Portland, Manchester and Providence with headquarters at Boston.

Kendrick Is Vice-President

Judson R. Kendrick, formerly assistant secretary of Coastal States Life, has been named vice-president. The organization is expanding its business in Georgia, South Carolina and Alabama.

Dominion Life Advances Two

Dominion Life has appointed I. J. Klink assistant secretary and K. S. Rabb manager of the mortgage department.

D. P. Cahill in Texas Post

J. P. Fordyce, president of Manhattan Life, visited the Dallas agency on his way to California. Daniel P. Cahill, who has for the past 16 years been at the home office as superintendent of field service is moving to Dallas to do supervisory work in Texas.

Costello Returns to Ohio Nat'l

Lt. Col. W. C. Costello has been appointed manager of the agency accounts and records department of Ohio National Life. He left the company in 1941 to enter the army. He participated in every major campaign in the southwest Pacific, winning the bronze star and an oak leaf cluster. A graduate of Xavier University, he joined Ohio National in 1933.

Barker Rejoins N. E. Mutual

John Barker, Jr., counsel of New England Mutual Life, has returned from 44 months in the navy and will resume his duties with the company. A graduate of Williams College in 1927 and Harvard law school in 1930, he joined the company in 1936, following association with a Boston law firm for six years. He was elected counsel in 1942. He served two years in the administrative division of the bureau of ordnance in Washington, and later was in charge of a renegotiation board. He was discharged with the rank of commander.

Greenough Again with Teachers

NEW YORK—William C. Greenough has returned to Teachers Insurance & Annuity as assistant to the president. He has been a lieutenant (j.g.) in the navy, serving as air combat intelligence officer in the central Pacific. He was awarded the bronze star medal.

Penn Mutual Ends Fifth Course

Penn Mutual Life has completed its fifth home office refresher course, with 23 students enrolled. Second Vice-president E. Paul Huttering, manager of training, was in charge.

COMPANIES

Republic Nat'l Takes Over International Travelers

Reinsurance of the life, accident, health and hospitalization business of International Travelers Assurance of Dallas by Republic National Life has now been ratified by the stockholders.

This gives Republic National Life assets of \$11 million, premium income of well over \$2 million, and insurance in force \$66 million.

Both President Ben Haughton and Vice-president George R. Jordan of I.T.A. become vice-presidents of Republic National, and A. F. Dowlen, I.T.A. secretary, becomes assistant secretary.

This acquisition now launches Republic National into the A. & H. field.

Started As Assessment Firm

International Travelers at Dec. 31, 1944, had assets \$975,720, capital \$100,000 and net surplus \$100,000. This was originally an accident and health assessment organization. It went on a legal reserve basis and entered the life insurance field in 1928. The life insurance in force was \$6,124,460. Accident and health premiums in 1944 were \$94,756, losses incurred including adjustment expenses were \$28,163, underwriting expenses \$51,728. There was a premium reserve of \$17,694 and claim reserve \$14,111. Stockholders received \$10,000.

Pyramid of Mo. Cuts Dividend

Pyramid Life of Kansas City has declared a stock dividend of 75c a share. This compares with \$1 a share that was paid last year and the management states the intention is to pay smaller dividends so as to build a larger company and expand.

CHANGES

McBride Named Associate at Kansas City for Equitable, Ia.

Equitable of Iowa has appointed William I. McBride, Columbia, Mo., associate general agent at Kansas City to work with Herbert A. Hedges, general agent.

Mr. McBride attended the University of Missouri. In 1936 he joined the Kansas City agency of Equitable of Iowa, and advanced to district agent and later to regional agent. He is a member of the One-A-Week Club and various company production clubs.

Mr. McBride has been active in association work and is national committeeman for Missouri and a member of the Missouri Leaders Round Table.

Mac Minn and Clogston Winslow Cobb Associates

Reginald H. MacMinn of Medford and Luman G. Clogston of Melrose have become associate general agents in the Winslow Cobb agency of Connecticut Mutual Life at Boston.

Mr. MacMinn was agency manager during Mr. Cobb's period of service with the armed forces.

Mr. Clogston, for several years has served as brokerage manager.

Stangle Assistant Manager in Charge of Brokerage

George P. Stangle, who except for his army service has been connected with the Rockwood S. Edwards agency of Aetna Life in Chicago, as agent and supervisor since 1934, has returned and been appointed assistant manager there in charge of the brokerage department. He succeeds Herman W. Borchers, who died a few weeks ago.

Mr. Stangle is a graduate of Dart-



Just one year ago we announced a complete new series of promotional aids for our agents, which we felt was one of the best in the life insurance field. In the annual Life Advertisers Association competition last November this material won awards in two of the three classes in which it was entered. We're proud of that. Not because of any pride in our advertising or promotional ability but because these awards indicate we are doing a pretty good job of helping our agents. And that is one of our primary concerns. Next to providing security for our policy holders, our most important job is helping the man in the field.

LIFE INSURANCE BEGINS WITH THE AGENT!



Central Life ASSURANCE SOCIETY
(MUTUAL) of Iowa

mouth who went with the Aetna Life in Chicago immediately afterward.

Home Life of N. Y. Appoints Three Assistant Managers

Home Life of New York has appointed Walter F. Irvin assistant manager in Pittsburgh, associated with Manager John H. Coles, especially to recruit, train, and direct new men. He went with Home as an agent after 18 years sales experience in Pittsburgh territory.



Walter F. Irvin

Jay F. Bodle and Gordon S. Miller have been named assistant managers in the Thomas A. Dent, Jr. agency; Philadelphia. Mr. Bodle is a native of Philadelphia and attended Wharton School. He went with Home in the spring of 1944 after life insurance sales experience in Philadelphia. Mr. Miller went with Home in the fall of 1944 without previous life insurance experience and has been an agent. He will select and train returned veterans for careers as agents. Previously he was assistant branch manager of Remington Rand in Philadelphia.

Smith and Martin Pacific Mutual Philadelphia Team

Pacific Mutual Life has appointed R. Meade Smith and William A. Martin as general agents at Philadelphia, succeeding Hare & Chase, recently resigned.

Mr. Smith and Mr. Martin previously had been in charge of Pacific Mutual business in the Hare & Chase organization.

Dietter and Apple Advance in Aetna Life Group Work

Fred O. Dietter has been appointed field supervisor of the group division of Aetna Life and will superintend group activities in Philadelphia, Newark, Reading, Scranton, Baltimore, Washington, and Richmond. He joined the company in 1928 and was assigned to the Philadelphia group department in 1933. In 1936 he was made manager. Group insurance placed in force through the office has increased over 400% under his direction.

His headquarters will be maintained in the office of W. R. Harper, general agent at Philadelphia.

Robert A. Apple, former lieutenant in the navy, will succeed Mr. Dietter as manager of the Harper agency group department there. He has been with the group division there since 1933 and prior to being commissioned in the navy was manager of the group department in Pittsburgh.

Fargo Now Lincoln National General Agent at Columbus

Kenneth V. Fargo, formerly cashier at Pittsburgh for Lincoln National Life, has been promoted to general agent at Columbus, Ohio, succeeding J. C. Myers, resigned.

Mr. Fargo joined Lincoln National in 1930 as assistant cashier at Detroit. He is a C.L.U.

Petrie to Chattanooga for Continental Companies

John W. Petrie has been appointed general agent for Continental Assurance in Chattanooga and will also act as district manager of the disability division of Continental Casualty in a new agency set up there, known as Lookout Protection Service. The new office is at 308 James building.

Mr. Petrie was for 20 years editor of

the "American Insurance Digest" and joined Continental Casualty in 1943 in the A. & H. department.

Leo Porter Takes Columbian National Post in Utah

SALT LAKE CITY—A. W. Wright, for 34 years general agent here and in Ogden for Columbian National Life, is being succeeded by Leo R. Porter. Mr. Wright asked to be relieved of his responsibilities, but will remain with the company devoting his time to personal sales work. Mr. Porter prior to the war was Wichita general agent for Lincoln National Life, and was an organization leader in Kansas.

Dunning Phila. Supervisor

Sydney S. Dunning, former assistant manager of Union Central Life in Philadelphia, will become home office supervisor for Occidental Life, with headquarters in Philadelphia. He will be in charge of Occidental's development and agency building in the surrounding territory.

Mr. Dunning has been in life insurance more than 20 years, with especial experience in hiring and training new agents, and sales, production and agency management.

Lancaster Made Prudential Supt.

Prudential has promoted Charles F. Lancaster to superintendent at Tarentum, Pa. Mr. Lancaster joined Prudential in 1927 and was appointed assistant superintendent at Monessen, Pa., in 1934, where he has served until now.

Capt. Bailey Back from Army

Capt. Lester W. Bailey, who was with Midland Mutual Life at Passaic, N. J., has been released from service. He was an engineer in the Philippines. He plans to rejoin the company either in New Jersey or Pennsylvania.

Carter Oregon General Agent

B. C. Carter, formerly Oregon supervisor of Kansas City Life, has been promoted to general agent in Oregon. He has been with the company 20 years, and was in the home office until his transfer to Oregon in 1934. He became supervisor in 1939.

Ebert Reading Manager

Horace S. Ebert has been appointed manager at Reading for Fidelity Mutual, succeeding the late Paul Fleisher.

Entering the insurance business a few years ago after manufacturing experience, Mr. Ebert has been assistant manager of a Pottstown agency.

Curran Supervisor for Baketel

The Baketel agency of Union Central Life in Philadelphia has appointed Robert J. Curran, Jr., as supervisor in charge of new organization. He has just completed his third consecutive year as a qualifier for the Quarter Million Dollar Club. He is an exponent of time control; in 1943 and 1945 received the agency merit award for outstanding achievement and in 1945 became a charter qualifier for the national quality award.

Gore Continues at Wichita

THE NATIONAL UNDERWRITER was misinformed in reporting recently that Leo Porter is returning to Wichita to resume his position as general agent there for Lincoln National Life.

Harold Gore, the Wichita general agent, is continuing in that position. He is making an excellent record.

Sollie Old Line District Agent

Harold G. Sollie, who served in the navy as a lieutenant, has been appointed district agent by Old Line Life for Ashland, Wis., and vicinity. He also becomes manager of the life, health, accident and

hospitalization department of the Peter Lamal agency there.

Since leaving service several months ago, Mr. Sollie attended Old Line Life school in Milwaukee.

R. W. Hecht Joins Father

Ralph W. Hecht has joined his father, W. H. Hecht, who is general agent of Ohio State Life at Celina, O.

Don E. Lambeau, recently discharged from the army after nearly five years service, has joined his father, E. L. Lambeau, district agent of Massachusetts Mutual Life at Green Bay, Wis. The father, popularly known as "Curley," is coach of the Green Bay Packers professional football team.

Baltimore Life has appointed John R. Rush a staff superintendent at Butler, Pa. He joined the company as an agent in Washington, Pa., in 1940.

C. L. U.

Wylie Seattle Leader

Fred B. Wylie, Occidental Life, will lead a discussion on "C.L.U. on the

March" at a meeting of the Seattle C.L.U. chapter March 15.

Peoria Seminar April 5

The Peoria C.L.U. chapter holds its annual seminar in Peoria, Ill., April 5 with a speaker to be announced later. The meeting will be devoted to advanced underwriting and interested life men are invited to attend.

Gheen Speaks in Buffalo

Bruce I. Gheen, Mutual Benefit Life, Cleveland, member of the Million Dollar Round Table, addressed the Buffalo C.L.U. chapter, on the future possibilities of pension business.

Attorney Portland Speaker

George Black, Jr., Portland attorney, addressed the March meeting of the Portland, Ore., chapter in the first of a series of professional discussions.

Williams Speaks in Okla. City

The Oklahoma City C.L.U. chapter heard a talk by John P. Williams, educational director of the American College.

Mehr Indianapolis Speaker

INDIANAPOLIS—Dr. Robert I. Mehr, associate professor of business

DOORWAY TO DADS

SOME LIFE INSURANCE men still don't believe in juvenile insurance. But we've yet to meet the salesman who doesn't believe in taking the surest and quickest road to his prospect's heart.

That's why some men who don't enthuse about juvenile insurance nevertheless use our Junior Estate policy approach.

True, Junior Estate is our fifth biggest seller in its own right, but it's the *additional* insurance dads buy on their own lives after the Junior Estate approach that reveals the amazing power of this idea.

They say the surest road to a man's heart is through his stomach. Don't you believe it!

Occidental Life Insurance Company
of California

V. H. JENKINS - VICE PRESIDENT

"We pay lifetime renewals - they last as long as you do"



administration and director of insurance courses at Butler University, addressed the Indianapolis C.L.U. at luncheon Thursday on "An Analysis of the Market for Life Insurance."

William A. Clabaugh introduced Dr. Mehr and Arthur R. Madison presided.

RECORDS

Northwestern National—New business of \$6,898,320 during February made that the largest February in history. New business for the first two months is 43% greater than for the corresponding period of 1945.

National Guardian Life—February brought the largest number and greatest volume of applications ever submitted in any month in history. Issued new business reached \$1,102,358, also an all-time high.

There was no campaign or contest throughout the field, although two agencies—Green Bay and Eau Claire—had drives of their own. According to Albert G. Schmedeman, Jr., head of the agency department, the "spurt" was largely due to the work and spirit of men returned from service and new men recruited from the ranks of veterans.

Berkshire Life—Paid life business for February increased 85% over February, 1945, and for January and February, in-

creased 49% over the corresponding period of 1945. The company has had 36 consecutive months of increased production over corresponding months of previous years.

Seranton Life—Paid business for February exceeded that of February, 1945, by 18% and for the first two months production is 58% ahead.

Equitable Life of Iowa—The greatest new business volume to be recorded in any February history was attained last month. The paid volume was \$9,791,886, a gain of \$5,306,670 or 118%. For the first two months the figure was \$17,847,999, increase \$8,549,523 or 92%. This was the greatest January-February gain ever recorded.

Life insurance in force has been increased \$12,798,173 since Dec. 31. This also was the greatest gain attained in a corresponding period. The total is now \$757,578,593.

Occidental Life—Again broke all records in ordinary in February with \$16,679,922 applied for. February totals exceeded January, best previous month in history, by a small margin although there were four fewer working days.

This was the third consecutive month which has passed the \$16 million mark in applied. Total written volume the first two months almost equals the first quarter of 1945. Paid business in January was \$12,904,696 for a new record, exceeding January, 1945, by nearly 50%.

Franklin Life—February production was the largest of any month in history. The \$10,380,000 of new sales was a gain of 119% over February, 1945. Premium income reached \$1,328,344, a 61.4% gain.

First year premium income increased 179.6%.

Southwestern Life—An increase of \$1,600,000 in new business was recorded during February, exclusive of group. Total sales including group amounted to \$7,052,000.

Minnesota Mutual—An increase of 82.1% in new examined business was recorded in February. A volume of \$9,254,589 was submitted to establish a record

in new sales for the third consecutive month. Paid business increased 75.3% and for the year shows a gain of 62.7%. Group writings were 25.7% greater than in February, 1945; year-to-date volume increased 42.8%.

Volunteer State Life—Announces an increase of 78% in paid business for February over the same month last year. The increase in paid business for the first two months was 86%.

NEWS OF LIFE ASSOCIATIONS

Shows Civilian Population Not Adequately Insured

CHATTANOOGA—R. L. Maclellan, vice-president of Provident Life & Accident and wartime head of the insurance allotment division of the War Department, addressing the Chattanooga Association of Life Underwriters, cited figures on war period life insurance to show that the civilian per capita insurance coverage is far too low. He said in part:



R. L. Maclellan

"There is now approximately \$150 billion of insurance in force in this country in all the life insurance companies. If the \$137 billion of National Service Life Insurance is added, the per capita figure for the entire population, including servicemen, is approximately \$2,000. However, the average man in the armed services owns between \$8,000 and \$9,000 of National Service Life Insurance. This means that the civilian population of this country is insured for approximately \$1,200 per capita. These figures emphasize that even the great majority of our civilian population is not now adequately insured. They illustrate the great opportunity which those of us in the insurance business have today."

He advocated utmost effort on the part of individuals and organizations in getting veterans to maintain their service insurance. He discussed pending legislation in Congress that would entirely remove beneficiary restrictions on this type of insurance and would provide for 20-year endowment, endowment at 60 and at 65 as policies to which conversion can be made.

List Notable Speakers for Los Angeles Congress

LOS ANGELES—The sales congress of the Life Underwriters Association of Los Angeles will be held April 10.

The list of speakers, now practically complete, includes Harry T. Wright, Equitable Society, Chicago, former N. A. L. U. president; Vice-presidents Roger Hull and Alexander E. Patterson of Mutual Life; Theo. M. Green, Massachusetts Mutual Life, Oklahoma City; John H. Jamison, Northwestern Mutual Life, Chicago; Earl Garrison, Metropolitan Life, San Francisco; Homer Anderson, New York Life, San Francisco.

Women Provide Program at Oklahoma City Meeting

OKLAHOMA CITY—Cora Dulaney, agent of Great National Life at Dallas, an officer and director of the Dallas Association of Life Underwriters told the Oklahoma City association members to sell retirement income to men as well as women because high taxes and low income trends have made men as retirement-income conscious as women. To the man of wealth the topic of income tax will arouse immediate interest, and the same simple forms of programming can be the basis for estate planning of the man of wealth as for

any other client, as his basic needs are similar.

It was "Women's Day," all the speakers being women. Mary Helen Connell, agent and assistant manager Equitable Society, San Antonio, told how she sells the interview. She had a volume of more than \$350,000 in 1945, her third year in business. She uses the telephone approach to solve the prospecting problem and gets the majority of her sales on first interview.

K. L. Aldrich, president, announced that 100 members had volunteered to devote a full day every two or three months to aiding veterans in handling their life insurance at the association desk to be established March 19 in the veterans center. Two-day classes on how to give them the best service will be conducted by the association.

Oklahoma City will seek the 1947 mid-year meeting of the National association and will present the invitation at the Omaha meeting.

Four Speakers for Chicago Sales Congress Announced

Four speakers in the sales congress to be held in Chicago April 27 by the Chicago Association of Life Underwriters were announced this week. Jacob W. Shoul, leading producer of Mutual Life of New York in Boston, will speak on "Life Insurance in Action." He is a member of the Million Dollar Round Table, for which he has qualified ever since it was formed, and has averaged over \$1½ million annually for the last 20 years.

Connell Is to Talk

C. D. Connell, New York City, president National Association of Life Underwriters, is to talk on "National Association Projects" and "Sales Ideas" in the sales congress and the general agents and managers conference to be held the previous afternoon.

Robert H. Weinecke, colonel of airborne forces in the European theater and former Chicago life supervisor and manager, and Glenn D. Commons, J. M. Royer agency of Penn. Mutual, Chicago, who also served in the war, will take part in a service man's panel.

Southern Cal. Caravan Schedule

LOS ANGELES—The southern California caravan of the Life Underwriters Association of Los Angeles will visit Long Beach, March 26; San Diego, April 11; Santa Monica, April 17; Santa Barbara, April 17, and Pasadena, May 16.

The speakers will include A. C. Duckett, Northwestern Mutual Life, N. A. L. U. trustee; Rolla R. Hays, Jr., New England Mutual Life, president California association; Henry Mosler, Massachusetts Mutual Life; Edward Choate, New England Mutual Life, president Los Angeles association; W. H. Siegmund, Connecticut Mutual, and H. L. Tilener, Prudential.

Boston Vanquishes R. I. on Air

The Boston Life Underwriters Association came out on top in competition with the Rhode Island Association on the "Quiz of Two Cities."

Ernest L. Maillet, New England Mutual, was Boston captain, while Stephen G. Williamson, Jr., Mutual Benefit, headed the Rhode Islanders.

Chauncey Whittelsey, John Hancock,

PROOF O' THE PUDDING



"Q-V-S is the only contract I know of that gives so much remuneration in proportion to business written."

"It certainly provides the inspiration that is a major contributing factor to the success of any ambitious underwriter."

Sincerely yours,

G. M. VANDER MEER

Asst. Agency Manager, Spokane, Washington

Q... quality
V... volume
S... service

THE CAPITOL LIFE INSURANCE CO.

Clarence J. Daly, President

W. V. Woollen, Agency Vice President

Home Office—Denver 5, Colorado

"Registered Policy Protection"

What is a REGISTERED POLICY?

Texas insurance laws provide one plan whereby approved securities equal to the full policy reserves may be DEPOSITED WITH THE STATE. This gives added assurance to the policyowner that his reserves are always intact and well managed. The state's own certificate on each policy shows that this law has been complied with. Though this particular law is optional, a company once under it cannot withdraw. Only a few companies have voluntarily come under it. Republic National Life is one of that few.

M. ALLEN ANDERSON, 1st V. P., Director of Agencies

Theo. P. Beasley,
President



DALLAS 8, TEXAS
HOME OFFICE

REPUBLIC NATIONAL LIFE INSURANCE CO.

John P. Despres, Travelers, and Robert D. Mater, Lincoln National, were the other Rhode Island members. In between questions, they explained the objectives of their association and their current project of assisting returning veterans in all NSLI matters.

The Boston team included Ernest Maillet, New England Mutual, Max Cohen, Union Central, Marion Scott, John Hancock, and Solomon Smith, Northwestern Mutual. They also found opportunities to give the Boston association a few plugs.

List N. J. Congress Speakers

Speakers at the annual sales congress of the New Jersey Association of Life Underwriters in Trenton May 16 will include State Senator Charles K. Barton and Paul Speicher, R. & R. Service. There will be morning and afternoon sessions, a luncheon and banquet in the evening.

Speicher and Gamble to Speak

Paul Speicher, president of R. & R., Indianapolis, and Seneca M. Gamble, educational director of Massachusetts Mutual's home office, will be on the program of the annual sales congress at Davenport, Ia., April 13. The General Agents & Managers Association will have a conference there the day before.

Quincy, Ill.—Charles H. Merideth, executive vice-president, Quincy Industrial Association, spoke on the labor situation and wages and employment.

Austin, Tex.—W. L. Baldwin, president of Security Life & Accident, spoke on "Current Prices and Trends."

Cincinnati—C. D. Connell, president National association, will speak March 21.

Springfield, Ill.—K. E. Williamson, general agent of Massachusetts Mutual Life in Peoria, Ill., and vice-president Illinois association, spoke at the monthly meeting on "Sales Ideas for 1946." Plans are being considered for a C.L.U. study course.

Decatur, Ill.—Orval W. Diehl, C.P.A. and tax authority, spoke on "Changes in the Revenue Act, Applicable to 1946," at the monthly meeting. A class of 16 was organized to start part 1 of the C.L.U. study course, meeting Fridays under direction of Prof. William Beadles, a C.L.U. and professor of business administration at Wesleyan University in Bloomington.

Alton, Ill.—Frank B. Jackson, manager of Mutual Life of New York at St. Louis, discussed "A Case for Term Insurance" at the monthly meeting.

Bloomington, Ill.—Charles R. Fink, agency manager of New York Life in Peoria, Ill., addressed the Bloomington-Normal association at the monthly meeting, presenting sales ideas.

Chillicothe, O.—A committee to promote safety programs among local organizations and in the city schools has been named due to the fact that the association has become aroused over the large number of automobile accidents, many fatal, in Chillicothe.

Sioux Falls, S. D.—Donald F. Barnes, director of veterans affairs of N.A.L.U., was the speaker Monday. He was en route to the meeting in Omaha.

Parsons, Kan.—Charles W. Cooper, Business Men's Assurance, spoke on "Sales Presentations That Sell Life Insurance." Mr. Cooper acted the part of both agent and prospect in explaining his presentation.

John A. Maier, Equitable Society, has returned from the army and rejoined the association.

Waterloo, Ia.—Harry McConachie, vice-president and superintendent of agents of American Mutual Life, spoke on "The Agent's Place in the American Way of Life."

Des Moines—Clifford H. Orr, N.A.L.U. trustee, spoke on "Public Acceptance." He also attended a breakfast with the Des Moines C.L.U. chapter.

Wichita—Lawrence E. Curfman, Wichita attorney, spoke at the March 8 meeting of the Wichita Association of Life Underwriters on "Laws that a Life Insurance Agent Should Know About."

Denver—Clifford H. Orr, president of the American Society of C.L.U. addressed a joint meeting with the Denver C.L.U. chapter on "Public Acceptance." He is

visiting a number of the society's chapters in the Rocky Mountain region.

Detroit—The association admitted 114 new members between the close of the last fiscal year June 1, 1945, and January of this year, representing a net gain of 30%.

Jackson, Tenn.—Glynn Phillips and Lewis Eubanks, members of the association, led a discussion of "Sales Presentations."

Salt Lake City—E. W. Owen of San Francisco, former Detroit manager of Sun Life of Canada, gave his talk on "Thirteen Keys to Success."

Peoria, Ill.—Dawn A. Smith, Equitable Life of Iowa, Rockford, Ill., was principal speaker at a veterans affairs conference.

Portland, Ore.—J. E. Barry, Occidental Life, and S. A. Tatum, Pacific Mutual Life, were named as speakers for the first of a number of seminars scheduled by the association.

SALES MEETS

Franklin Life Outlines Plans for Three Regional Rallies

Franklin Life is making plans to entertain the largest group of convention qualifiers in history. President Chas. E. Becker stated that for the first time three regional meetings will be held instead of one.

All will be held during July at Atlantic City July 15-18, Estes Park, Colo., July 22-25, and Sonoma Mission Inn north of San Francisco July 29 to Aug. 1. Qualification is on the basis of net paid business for July 1, 1945 to July 1, 1946.

Great Southern Okla. Rally

The Oklahoma agency of Great Southern Life held a two-day sales meeting with 30 in attendance. Sam R. Hay, Jr., assistant superintendent of agencies, represented the home office. The conference was devoted to the discussion of "Programming," "Key Man Business Insurance," and general sales methods.

Tom Wilson, state manager and Stewart E. Meyers, Oklahoma City manager, presented a forceful sales demonstration at the agency dinner. Recognition for outstanding production records was given to Charles Saulsberry, Oklahoma City; Ernest Kiker, Wewoka, and Walter Luchaw, Weatherford.

Colonial Life Convention

Colonial Life will hold its annual agents convention at Virginia Beach, Va., the week of Sept. 23. A number of home office officials will attend and it is expected that at least 300 field men will be on hand.

Bankers of Iowa Kansas Meeting

Vice-president W. F. Winterble, Des Moines, and R. H. Cherry, San Antonio, assistant superintendent of agencies were principal speakers at an agency meeting of the J. A. Reinhart Kansas agency of Bankers Life of Des Moines in Wichita. The agency was honored for leading Group 4 the past year. In addition to a certificate of award presented to Mr. Reinhart, token awards were given qualified members of the agency, including M. D. Cullen, R. M. Jones, J. K. Lashley, and G. R. Ward, all of Wichita; H. E. Crell, Topeka; G. B. Douglass, Mullinville, and O. A. Pierson, Salina.

State Farm Holds Ill. Rally

More than 500 Illinois field representatives and home office men attended the Illinois agency convention of the State Farm companies at the home office city of Bloomington.

N. Eric Bell, state director, was in general charge and R. D. Danielson, assistant state director, conducted the business session in the afternoon.

Prize winning agents were crowned

and talks were made by Adlai H. Rust, executive vice-president, and by Frank Brown, Minnesota state director.

Toastmaster at the banquet was G. F. Alcott, assistant director of conservation.

G. J. Mecherle, chairman, gave an address "A Billion or More in '54," alluding to the fact that a goal of \$1 billion insurance in force by 1954 has been set for State Farm Life. Mr. Bell gave the concluding message.

Life & Casualty Va. Rally

Twenty-four southwestern Virginia agents of Life & Casualty attended a sales conference at Roanoke. Fred J. Akers of Radford, Va., received an award for the largest production in a recent contest, with Paul I. Hall, Pulaski, Va., second.

Northern Life Resumes Rallies

Northern Life of Seattle will resume its Tower Club meetings this year, the meeting being scheduled for Seattle the week of July 15. About 250 will attend.

Slate Investment Seminar for Bloomington July 8-20

The 1946 sessions of the Life Officers Investment Seminar will be held at the

Indiana University school of business, Bloomington, July 8-20. Dr. Harry C. Sauvain, professor of finance, is director of the seminar which is a project of American Life Convention and its financial section.

The seminar will be limited to 100. Registration fee will be \$200, which includes room and board.

NEW YORK

VAN NAME C.L.U. SPEAKER

R. L. Van Name, secretary New York city employees' retirement system, will be the speaker at the March 19 luncheon meeting of the New York City C.L.U. chapter. He will discuss discrimination in the taxation of annuities.

CHAMBER DINNER MAY 15

Plans are under way for the annual banquet of the insurance department of the U. S. Chamber of Commerce at the Waldorf-Astoria hotel, New York, May 15. It is being held there rather than at Atlantic City where the chamber's annual meeting will be held, because the chamber is sponsoring a hemispheric in-

Fifty-second Year of Dependable Service



THE STATE LIFE of Indiana is a purely mutual, old-line, legal reserve Company in its fifty-second year of dependable service. . . . Has paid over \$151,000,000 to policyholders and beneficiaries, and in addition holds assets of over \$63,000,000 for their benefit . . . Issues a wide range of policies from ages one day to sixty-five years, including Juvenile, Educational Fund, Family Income, Salary Continuance, Retirement Income, and other up-to-date forms. . . . Agency opportunities with complete training and service facilities for those qualified.



THE STATE LIFE INSURANCE COMPANY

Indianapolis, Indiana

MUTUAL LEGAL RESERVE FOUNDED 1894

insurance conference at New York May 14-16. There will be a number of Latin-American and Canadian insurance executives present.

Charles S. Ashley, resident vice-president at New York of Maryland Casualty, is chairman of the banquet committee.

JANUARY SALES IN N. Y.

The New York City Life Underwriters Association announces that the estimate of total sales of ordinary in New York City for January is \$97,780,000 which compares with \$73,808,000 reported for January of last year.

COAST

C. E. Cleeton Is Given Diamond Service Pin

"A leader in each of the 25 years since he joined the company—not just some of the time, but throughout a quarter century of service." Vice-president V. H. Jenkins of Occidental Life so characterized General Agent Charles E. Cleeton of Los Angeles in presenting him a diamond service pin.



C. E. Cleeton

The occasion was a luncheon in honor of Mr. Cleeton's anniversary, attended by the guest of honor, 20 members of his agency and a group of friends from the home office including Mr. Jenkins and Division Manager William B. Stannard.

Mr. Jenkins reviewed Mr. Cleeton's work as a personal producer which made him repeatedly a company leader and a life member of the Million Dollar Round Table and his activity in the N.A.L.U. and local association and in the C.L.U. movement.

White and Denny on Coast

President George Avery White and Robert H. Denny, vice-president and su-

perintendent of agencies of State Mutual Life, spent the week-end in Los Angeles and were guests of General Harold A. Dougher at a luncheon.

Previously they had visited agencies in Cincinnati, Memphis, Houston and Dallas, and were to stop at San Francisco, Portland, Seattle, Minneapolis and St. Paul before returning to Worcester.

Life Men at Head of VA Office in Seattle

George W. LaFray, former vice-president of Northern Life, has been appointed director and John C. Hazlett, agent at Seattle of Travelers, assistant director of insurance service for the Seattle branch of the Veterans Administration. They will have jurisdiction over Washington, Oregon, Idaho, Montana and Alaska, supervising granting insurance to veterans, conversion of policies, handling premiums and records and determining disability awards.

Mr. LaFray started with Northern Life as an office boy in 1915 and served in the first war. After returning to Northern Life he served as personnel director and also did agency work, entering the company in the midwest. In the late war he was commissioned a major in charge of officer procurement, later transferring to military government and serving in France, Belgium, Holland and Germany, with the rank of lieutenant-colonel.

Mr. Hazlett also served in both wars, as a captain in the first and lieutenant-colonel in the second. He entered insurance in 1919 at Wenatchee, Wash., with Travelers, was with that company in Seattle and then with Northern Life, as manager of the home office agency and later as accident and health supervisor.

Arnold Gleason, Spokane manager of Union Central Life, served as general chairman of the Red Cross drive in Spokane county.

Binford Becomes Agency Head

Jesse H. Binford, 70, who has just retired as superintendent of Richmond public schools, is becoming director of agencies of Mutual Life of Richmond. He has been associated with the company 20 years and is now its treasurer.

ACCIDENT

W. E. Mast Heads Cal. A. & H. Assn.

SAN FRANCISCO—Walter E. Mast, Continental Assurance, Los Angeles, was elected president of the California Association of Accident & Health Managers Clubs at the first post-war state-wide meeting. William L. Thomas, Massachusetts Bonding, Los Angeles, was elected vice-president and Charles E. Olson of Cass & Johansing, secretary.

At the morning session—for members only—Edward Clancy, representing the California Committee for Voluntary Health Insurance, spoke briefly and W. E. Leiby, accident and health general agent of Los Angeles, urged the San Francisco members to form a producers' club along the same lines as that in Los Angeles.

The new state health insurance plan was discussed briefly, without any action.

At the afternoon meeting, an unscheduled speaker was Pat Merrick, representing the state of California, who has been put in charge of administering the new state law just signed by Governor Warren. He spoke mostly on the voluntary sections of the new system and said the state asked for the assistance of the insurance fraternity in making the plan a success.

Mueller and Gastil Speak

E. H. Mueller, managing director of the National Association of Accident & Health Underwriters, gave a sales talk loaded with ideas and illustrations, based upon his many years as a successful salesman in Milwaukee.

In his talk on "Trends" Walter G. Gastil, Connecticut General Life, Los Angeles, reviewed the decline in the value of the dollar and the additional burdens placed on the individual of today to accumulate funds to be independent in later years. He compared the present situation with that of years ago and pointed out that the people of this country are becoming more and more dependent upon government with a loss of initiative and individual independence—with resultant restrictions.

Leland Goresinger, insurance attorney, spoke on the legislative trend, the influence on the individual and on private insurance particularly, with the present influences working toward government control of health insurance.

At the luncheon, at which S. S. Battleson, West Coast Life, president of the San Francisco association, presided, Ira D. Wheeler, Santa Monica, president California Association of Insurance Agents, and E. E. Hayden, executive secretary of the association, were guests. Judge Elmer Robinson of the superior court spoke of his hobby as a collector. There were 188 at the luncheon and the cocktail party and dinner brought out practically all of the company executives.

Smith Security L. & A. Leader

Ken V. Smith, district manager, Glenwood Springs, Colo., was the leading accident and health producer of Security Life & Accident for 1945 in paid premiums.

In addition to his outstanding accident and health production, Mr. Smith finished third for the year nationally in amount of life insurance paid for. He entered life insurance about 26 years ago and has been with his present company since 1934.

List St. Louis Congress Speakers

ST. LOUIS—Superintendent Jackson of Missouri will speak at the morning session of the sales congress of the Accident & Health Underwriters Association of St. Louis March 28. S. E. McCreless, president

American Hospital & Life, also will speak at that session. One of the afternoon speakers will be Virginia Irwin of the St. Louis "Post-Dispatch," who was a war correspondent in Europe.

MANAGERS

Trust Officer Spinney Gives Advice at Los Angeles

LOS ANGELES—W. R. Spinney, assistant trust officer Title Insurance & Trust Co., spoke before the Life Insurance Managers Association on "How You Can Instruct Your Salesmen to Gain Trust Company Cooperation in Serving His Prospects." A great difficulty encountered in training new men is to teach them to sell indirectly, to talk on an advice basis rather than to urge purchase of the insurance. The advisory rather than selling attitude always should be maintained. The new man should be taught to become a specialist, and to stick to his specialty. To do so makes the agent better and stronger.

The lawyer, trust officer and tax expert should be brought to the prospect's attention and the agent should offer to work with them. Agents who work with attorneys in planning estates or trusts have less difficulty in closing their cases, Mr. Spinney said. He likes group discussions of plans for cooperation and urged that the managers create discussion groups in training agents.

Walter Gutjahr, San Diego general agent National Life & Accident, president San Diego Association of Life Underwriters, and A. Gillette, general agent Connecticut Mutual, San Diego, were guests.

Indianapolis Managers to Revive Midwest Conference

The General Agents & Managers Association of Indianapolis at a meeting Monday discussed the coming Midwest Management Conference to be held at French Lick Springs May 31-June 1. This will be a revival of a project which was started by the association several years ago but discontinued due to war restrictions. Excellent talent has been secured for the program, including specialists in various lines.

Legislative matters were discussed but it was decided nothing definite can be done at present and the subject was postponed for a later conference with other life underwriters organizations with a view to adopting a program in which they will be invited to participate. Wendell Barrett, Provident Mutual, president, presided.

The Butler University scholarships also were considered. These will be studied further.

Oregon Commissioner to Address Chicago Managers

Commissioner Seth B. Thompson of Oregon, a former life insurance manager, will address the Life Agency Managers of Chicago at a luncheon meeting March 18 on problems immediately before the life insurance industry as he sees them, with suggestions as to meeting them. He has been prominent in work of the National Association of Insurance Commissioners.

Trust Officer Discusses Wills

MILWAUKEE—J. C. Moser, vice-president and trust officer Marshall & Isley Bank, discussed "Your Last Will and Testament" at a meeting of the Life Insurance Cashiers Association Tuesday. A buffet supper preceded the business session.

Banker Portland, Ore., Speaker

Robert M. Alton, vice-president and trust officer of United States National Bank, addressed the Life Managers Association of Oregon in Portland on

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DURING 1945

New Paid Business to Insurance in Force.....	11.8%
Insurance in Force Increased.....	9.7%
Admitted Assets Increased.....	10.4%
Liabilities Increased.....	10.4%
Surplus Increased.....	11.0%
Average Interest Received on Mortgages.....	4.3%
Average Interest Received on Bonds.....	2.9%
Net Yield on Real Estate.....	6.1%
Net Yield upon Assets as a Whole.....	3.04%
Actual to Expected Mortality.....	40%
Lapse Ratio.....	2.0%
Admitted Assets.....	\$ 77,907,740
Liabilities.....	71,499,453
Surplus.....	6,408,287
Insurance in Force.....	266,090,710

Nothing Better in Life Insurance

"Modern Trends of Life Insurance and Taxation."

George W. Schoeffel, vice-president and superintendent of agents of Standard Insurance Co., told why that company changed its name.

Foley Speaks in Detroit

T. W. Foley, general agent of State Mutual in New York City and 1945 president of the New York General Agents & Managers Association, will speak before the Life Agency Cashiers Association of Detroit and Windsor March 19.

Alvin E. Hanson of Farmers & Traders Life, addressed the Syracuse General Agents & Managers Association.

High Court Takes Up S. C. Tax Case

(CONTINUED FROM PAGE 1)

mium tax laws. Also that those laws apply to intrastate business and are not a burden on interstate commerce. Those laws do not violate the 14th amendment or the commerce clause of the Constitution, it is contended.

Cite Public Law 15

By enactment of public law 15, these 10 states contend, Congress "clearly recognized the inherent power of the states to regulate and tax insurance companies and has openly approved all the existing state laws imposing taxes upon foreign insurance companies doing business within the several states."

The S.E.U.A. decision does not invalidate the laws of any state which exact from foreign companies a tax on premiums received by them from policies covering risks within such state, the "friends of the court" assert.

The gross premium tax imposed by South Carolina and other states is stated to be "for the privilege of entering such states and engaging in business therein, and is not levied on the interstate business of such companies and places no undue burden on interstate commerce."

Although such laws tax foreign companies without imposing a like tax on domestic companies, they do not violate the Constitution, it is argued.

In connection with the assertion that public law 15 recognized state taxing powers and approved then existing laws taxing foreign companies, the states' brief cites statements in the reports of the House and Senate judiciary committees that the McCarran-Ferguson bill removes doubts as to states' rights to tax.

The House report is quoted from at length and the states reach the conclusion that the report indicates that "the power of the states to regulate and tax the business is to continue to the full extent to which it had been held to exist prior to the S.E.U.A. decision."

Say Congress Has Power

Congress has power to so authorize the states, the brief insists. If any serious question could be raised as to the validity of established state laws taxing foreign companies, "a proposition which we emphatically deny," say the intervening states, "such question is put at rest by the McCarran-Ferguson act."

Admitting that some state laws appear to discriminate against foreign companies, the brief denies that it is "unconstitutional discrimination," or an undue burden on commerce. It is pointed out that state taxes were imposed when insurance was not regarded as commerce. The burden of proof is on the appellant to show the tax is a burden. If it is, it was "voluntary and gladly assumed by the appellant year after year," and one which "rests upon it very lightly," say the states in their brief.

"The assertion that a tax voluntarily accepted and paid year after year as the price of carrying on business of its own eager seeking," says the brief, "places the appellant at a competitive disadvantage with respect to that business is, to say the least, bewildering as

an argument. As a proposition needing to be established by evidence to win judicial acceptance, it would seem quite hopeless."

The brief quotes from the Indiana supreme court in *Indiana vs. Prudential* to illustrate "the unreality of the entire argument with respect to the burden of this or any other so-called discriminatory state tax on foreign insurance companies."

Insurance observers got the distinct impression during the arguments that prospects for the South Carolina tax are not good.

Prudential Attorney Henderson apparently felt he had won his case, because he did not choose to use some five to 10 minutes of the time allotted him.

May Bracket Three Cases

Possibility was presented of the question of constitutionality of public law 15 being attacked as a result of the arguments in the South Carolina case.

Another possibility suggested to insurance observers was that the court might hold for decision the South Carolina case, as well as that of *Robertson vs. California*, argued some time ago, until it hears the *Kansas retaliatory tax case*, in order to consider state insurance tax and regulatory problems together in relation to each other, before passing upon any of them.

After decisions were announced by the court in other cases Monday, Joseph W. Henderson, Prudential counsel, took the floor and continued his argument. He was followed by T. C. Callison and David W. Robinson, for South Carolina, and C. H. Foust for 10 states' attorneys general. Mr. Henderson concluded with a short rebuttal argument, and the court took the case under advisement.

Henderson declared Prudential business is interstate commerce, including its South Carolina business; that the South Carolina law imposes a discriminatory tax in favor of domestic companies against foreign. He said the power of states to impose reasonable non-discriminatory taxes or police regulations is recognized but that South Carolina admits its tax is discriminatory. Every Prudential policyholder is charged a share of the South Carolina tax.

Economic Isolation

Inveighing against the "economic isolation" of South Carolina, Henderson said the court has held states may not enact legislation discriminating against interstate commerce.

When Chief Justice Stone inquired whether there is claim of a comparable or corresponding tax in the state on domestic companies, Henderson took the view there is none. Reference was made to the court's recent decision in the *Nippert case*. The South Carolina law clearly discriminates against Prudential, he said, although the state supreme court held it does not. "That court is clearly in error. It is foreclosed. Its findings are not based on facts."

That court denied a company motion to file a statement showing all taxes paid by insurance companies in the state, including real estate taxes, which, Henderson said, showed "we still pay 2.6% of premiums today."

Privilege Tax Argument

Referring to the state's claim the premium tax is a privilege tax, Henderson pointed to Supreme Court decisions holding that the right to engage in interstate commerce is not subject to franchise and no state may levy such a privilege tax.

The Senate judiciary committee said the S.E.U.A. decision was "precedent smashing," and Henderson said Congress can determine to what extent the field of insurance taxation and regulation could be entered. Discussing public law 15, he said it did not delegate to the state any power it already had. "Congress did not mean the states can now impose discriminatory taxes. The men who framed the McCarran Act were not foolishly saying to the states they could do so."

Justice Frankfurter suggested the Mc-

Carran Act called for treatment of future activities, but Henderson said the Constitution forbids discriminatory taxes on interstate commerce.

"May Congress," Stone asked, "permit a state to regulate interstate commerce?" There was mention of the states being permitted to impose regulatory taxes. Henderson said he had no fault to find with states adopting non-discriminatory taxes, but Congress can not give consent to states' discriminatory regulation and taxation.

Question As to Mass., N. Y.

He called attention to the fact that Massachusetts and New York, which signed the states' intervening brief have non-discriminatory taxes and he did not understand why they joined in the brief supporting the Carolina law. He did not claim the South Carolina law violates the 14th amendment. Some states apparently considered the McCarran Act a "cure all," it was suggested. Pointing to the

fact that some 15 states have passed laws since the McCarran act providing for non-discriminatory taxes or taxes designed to be such, about three of which he expressed doubts, however, Henderson suggested other states should join the two-thirds which have non-discriminatory taxes.

Frankfurter suggested the "power to include might be used to exclude," apparently referring to states' regulation or taxes.

Callison said he did not question that insurance is commerce, but drew a distinction between interstate and intrastate commerce. Stone suggested he was wasting time discussing certain aspects of the commerce question and the S.E.U.A. decision.

Callison, however, said S.E.U.A. did not operate under either state or federal regulation and the tax question did not enter there. He took his stand "boldly" on the proposition that Prudential transactions in South Carolina are intrastate.

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The S.E.U.A. decision did not pass upon the question presented, he declared. In his state a local Prudential agent solicits business, sells and delivers the policy and collects the premium, the whole becoming a state contract.

Question by Frankfurter

"What makes this a different situation from S.E.U.A.?" Frankfurter asked, emphasizing the crossing of state lines.

"That is true between company and agent in this case, but not between company and policyholder," replied Callison. "If the company chose to stay outside the state and do business wholly in interstate commerce it would not have to pay the tax. If interstate commerce is involved in this case you should hold our tax is fair."

Before the S.E.U.A. decision, Callison said, "everybody recognized the right of the states to treat the companies as they have." Prudential has been in business in his state many years and raised no question, did not object to the tax.

Stone suggested insurance was not regarded as commerce before the S.E.U.A. decision.

McCarran Act Issue

Mr. Robinson devoted his argument largely to discussion of the McCarran act. The S.E.U.A. decision, he said, was not broad enough to prohibit state taxes. The company can conduct interstate commerce business in his state without a state license. "Your decision did not go so far as to mean that all insurance activities were interstate commerce."

Reviewing the legislative history of the McCarran act, Robinson said it indicated "Congress intended the states should continue insurance regulation as before the S.E.U.A. decision. Congress knew this type of legislation was in existence at that time. Congress intended to keep tax laws under discussion in effect."

Frankfurter dropped into the pool of discussion a question concerning constitutionality of the McCarran act.

Bottomley to Conn. State Post

HARTFORD—William A. Bottomley has been appointed assistant supervisor of claims and licenses in the Connecticut insurance department. For the past 10 years he has operated an agency here. Previously he was manager of Travelers at Waterbury, Hartford and Springfield.

Danes Join L.I.A.M.A.

Hafnia Life of Copenhagen has become an associate member of Life Insurance Agency Management Association.

CONVENTION DATES

April 26, Illinois Association of Life Underwriters, Hotel LaSalle, Chicago.

April 30-May 2, U. S. Chamber of Commerce, Claridge Hotel, Atlantic City.

May 9-10, L.O.M.A. spring conference, Hotel Claridge, Atlantic City.

May 3, Michigan Association of Life Underwriters, Grand Rapids.

May 5-11, Ins. Federation of Pennsylvania, Bellevue-Stratford, Philadelphia.

May 14-17, Insurance section U. S. Chamber of Commerce, hemisphere conference, New York.

May 15-17, Insurance Accounting & Statistical Assn., Baker Hotel, Dallas.

May 20-22, Health & Accident Underwriters, annual, Netherland Plaza, Cincinnati.

May 24-25, Virginia Assn. of Life Underwriters, Cavalier Hotel, Virginia Beach.

May 27-29, Canadian Life Officers Association, Hotel London, London, Ont.

June 9-13, Insurance Commissioners, Portland, Ore.

June 17-19, Natl. Assn. A. & H. Underwriters, annual, Cosmopolitan Hotel, Denver.

Sept. 4-8, Million Dollar Round Table, French Lick, Ind.

Sept. 9-10, International Claim Assn., Chateau Frontenac, Quebec.

Sept. 9-13, N.A.L.U. annual convention, Cleveland.

Sept. 23-25, L.O.M.A. annual, Hotel Schroeder, Milwaukee.

Oct. 24-26, L.A.A. annual, Edgewater Beach Hotel, Chicago.

"What Congress has done is to regulate commerce," said Robinson.

"To regulate insurance," Frankfurter amended.

"Can Congress turn over to the states the power to regulate commerce?" asked Justice Reed, who "harped" on this idea in other questions.

Robinson in reply cited old federal laws giving the states power over liquor traffic entering their borders. Passage of public law 15, he said, "removed the necessity of declaring against discriminatory taxes. We don't consider this a tax statute, but a regulatory statute."

The speaker replied to several company arguments and declared it is unnecessary to reenact the South Carolina law since the S.E.U.A. decision, and that "we have a right to impose a license tax for a company doing business in the state."

Mr. Foust next took up the cudgels for the states and made what some insurance observers considered as the best argument on that side. Discussing the McCarran act, he said an important problem involved is its interpretation and that of the S.E.U.A. decision as applied to state taxation. Section 2 of public law 15, he said, was intended to validate state regulation and taxation.

"Did Congress intend to validate any state tax?" asked Justice Reed.

Non-Discriminatory Tax

There is no question a non-discriminatory tax is valid, according to Foust. He suggested the possibility that a state should determine to prohibit certain types of insurance business as inimical to the public interest, and Congress could pass a law applying that principle uniformly. If Congress has that power, it has power to do less things. There is a middle ground, he suggested, on which Congress and the court will guard the respective rights of the states and federal government.

In conclusion, Foust argued the McCarran act is valid; that discrimination has not been shown. "It is a serious question whether the S.E.U.A. decision is conclusive in this case," he said.

"We do not believe this court will sanction discriminatory taxation in interstate commerce," said Mr. Henderson in rebuttal. Pointing to the fact that many states which have discriminatory taxes did not join in the intervening brief, he invited those states which have not done so to pass non-discriminatory tax laws.

If Congress can turn over to the states the offer to pass discriminatory tax laws in the insurance business, then that power would be applicable to all commerce, Henderson argued, but Congress has no such right and did not intend to give such a grant of power to the states.

Claim Commerce Is Not Taxed

In conclusion, the brief declares the South Carolina tax is not laid on commerce between the states and, consequently, does not unconstitutionally burden or restrict interstate commerce, and the long, unbroken line of decisions of this court, which have so held, stand undisturbed and unimpaired.

Among persons concerned with the insurance industry noted in the Supreme Court room during arguments were John McFall, general counsel U. S. Fidelity & Guaranty; Henry Cole Bates, general counsel Metropolitan Life; H. E. Hilton, assistant manager U. S. Chamber of Commerce insurance department; Frank Elmore, formerly of the Department of Justice anti-trust division during the S.E.U.A. investigation and prosecution; his successor, Manuel Gorman, and half a dozen or more states' attorneys general.

New Dominion Life Treasurer

Dominion Life has appointed George F. C. Pangman treasurer and A. A. Mavor assistant treasurer. Mr. Pangman succeeds F. L. Whitaker, who has resigned and who will return to England after serving the company 22 years. The new treasurer has been with the company since 1940 and before that was in the investment business.

Abjures Having Political Stand

(CONTINUED FROM PAGE 3)

preme Court. He said those who oppose Prudential's stand on these laws are either domestic companies with a privilege to protect or are those who feel that the suits may weaken state regulation and the right of the states to tax and regulate insurance.

However, Mr. Shanks emphasized that wherever there has been discrimination by the states against interstate commerce it has inevitably led to federal regulation. He pointed out that one of the reasons for the present federal Constitution was that the articles of confederation which presented it permitted the states to set up their own tariff laws.

Prudential's War Work

Describing Prudential's war work, Mr. Shanks said the company had made 2 million punch cards for the army covering 150,000 bombing records. It printed 432,000 invasion maps, Prudential having one of the few offset printing plants capable of printing in 10 colors on tightly woven rayon. It assembled between 700,000 and 800,000 radio tubes and packed some 4 million insecticide "bombs" which were so badly needed they were shipped by air direct from Newark.

Mr. Shanks paid tribute to the work of Col. D'Olier as chairman of the strategic bombing survey in Germany and Japan and to his administrative ability in the company, saying that "decades from now the changes that we will have to make will come more easily because of the executive and organizing ability that Col. D'Olier has put into this company."

Talking in terms of a \$1,000 policy rather than in box-car figures, Valentine Howell, vice-president and actuary, showed how current trends in mortality, interest rates, and expenses add up to lower dividends and higher net cost, and where this may be expected to lead.

Taking a life paid-up at 85 policy, he said, the level cost, after deducting dividends and disability waiver and assuming dividends would remain the same, would be about \$24. Of this amount about \$2.90 or 12% is for the expense element. Assuming an increase in expense of 25% or 72 cents, plus a 13 cent increase in taxes, there would be an added cost of 85 cents.

Improvement in Mortality

Improved medical techniques and medicines will probably result in a continued 15% improvement in mortality, amounting to \$1.35 for this policy, or about 6% of the net cost. A drop in the interest rate of 1% would increase the cost about 12½%, which, added to the increased expenses of about 3½%, would result in an increase of 16%. Offset by the 6% decrease due to improved mortality, the next increase in net level would be about 10%.

Compared With Dividend

This may not seem large, he said, until it is compared with the \$3.49 dividend on such a policy. However, though we are clearly headed for a period of higher net costs life insurance should be relatively as attractive as ever. He

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advised emphasizing the sale of larger policies to get the average policy up, since people have money to pay for more insurance.

Caleb Stone talked on the low interest rate and expressed the hope that the government would offer long term bonds at a living rate for capital.

Paul Bestor, vice-president, in charge of mortgage loans, said Prudential not only has the largest mortgage loan account but is earning the highest yield of any of the large companies and its mortgages are almost 100% in good standing. He said efforts to keep the desired percentage of assets in mortgages had been disappointing but that a ray of light is the new law permitting investing of up to 5% of assets in income producing properties. This would mean about \$300 million for Prudential.

Following the general meeting, the delegates met in group conferences at Newark and at New York. At the banquet Wednesday night, Col. D'Olier was the principal speaker. Patrice Munsell, Metropolitan opera star who sings on Prudential's radio program, was the soloist.

L.I.A.M.A. Schools Are Scheduled

The 1946 schools in agency management, sponsored by the Life Insurance Agency Management Association, have been scheduled for the following dates and locations: April 22-May 3, Hotel del Coronado, Coronado, Cal.; June 10-21, Grove Park Inn, Asheville, N. C. (for "combination" weekly premium and ordinary representatives); July 8-19, Edgewater Beach hotel, Chicago; July 22-Aug. 2, Edgewater Beach hotel, Chicago.

The schools are held at selected resorts where the students can study, exchange ideas, relax, and consider objectively the job of agency management without the distractions of daily routine. Since 1929, some 2,637 men representing 175 companies have attended these two-week schools in agency management from the United States, Canada, Mexico and Hawaii.

Presentation of subject matter by experienced instructors is combined with individual student conferences and daily attention to agency planning. Each student works out a set of carefully laid plans for future operation of his agency.

Hemispheric Study Is Proposed

NEW YORK—Objectives of the hemispheric insurance conference to be sponsored here May 14-17 by the U. S. Chamber of Commerce and the Inter-American Council of Commerce & Production have been outlined by John A. Diemand, president of North America and chairman of the conference arrangements committee.

Objectives include appraisal of the importance of insurance in domestic and inter-American trade and its part in raising the hemispheric standard of living; record and opportunities of insurance under the free enterprise system, interchange of ideas and information on the regulation of insurance in each country by internal self-regulation and by government, keeping insurance abreast of changing needs of buyers on coverages, loss prevention methods and loss adjustment practices, increased interchange of reinsurance between companies, exchange of ideas in insurance and business development methods in each country.

The conference will cover all lines.

Southwestern Life Medical Director Back

Dr. W. J. Allison has returned to Southwestern Life as medical director, from the navy. Dr. Allison entered as a lieutenant in January, 1944, and served in the Pacific theater.

Allyn Distributes Draft Definition

(CONTINUED FROM PAGE 2)

the true age would be used in determining the amount of insurance under the schedule. The 1917 recommendations provide for either an adjustment in premiums or in the amount of insurance in the event of misstatement of age.

Revised standard provision 6 requires that the insurance be made payable to the designated beneficiary but permits a so-called facility of payment provision as to an amount not in excess of \$250. This appears to be desirable, according to Mr. Allyn, particularly in the case of an insured person with beneficiaries located in foreign countries.

The conversion provision has been extended to require not only the full conversion privilege on termination of employment but also a limited conversion privilege on termination of the entire group policy where the particular individual's insurance has been in force for at least five years. To remove any question as to the non-application of individual standard provisions to group life policies a specific clause covering this point has been incorporated.

Four Group Categories

The definition first covers simple pure group insurance with the employer as contracting party and as policyholder. It is provided that the employees of subsidiary and/or affiliated concerns may be covered if there is common control. The contract may cover individual proprietor or partner if the employer is a proprietor or a partnership. Retired employees may be covered.

The insurance may be on a contributory or non-contributory basis but there shall be no employee pay-all schemes. For contributory plans there must be 75% participation and for non-contributory plans all must be covered.

The minimum number of insured employees is 25 at date of issue. The plan must preclude individual selection by the employees or employer.

Then there is provision for creditor group insurance. The privilege shall be extended to all of those whose indebtedness is repayable in installments or all of any class or classes thereof. Debtors of affiliated or subsidiary concerns may be covered.

The premium shall be paid either from the creditor's funds or from charges collected from debtors or from both.

If any part of the premium is paid with identifiable charges not required of uninsured debtors there must be 75% participation on the part of those eligible for the insurance or the debtors at the time of the inception of the plan must give evidence of insurability. If there is no such identifiable charge made all eligible debtors must be insured or all except those where evidence of individual insurability is not satisfactory.

Require 100 New Entrants

The group must be such as to receive or give promise of receiving at least 100 new entrants yearly and the policy must reserve the right to require evidence of individual insurability if less than 75% of the new entrants become insured.

The maximum amount of insurance is \$10,000 and the insurance shall be payable to the policyholder and shall reduce or extinguish the unpaid indebtedness.

Then there is a section on labor unions. Those eligible shall be all of the members of the union or all of any class or classes.

The premiums shall be paid wholly from union funds or partly from such funds and partly from specific contributions by the members. Member-pay-all plans are outlawed. If part of the premium is paid specifically by insured members there must be 75% participation excluding those as to whom evidence of insurability is not satisfactory. If the union pays all coverage must ex-

tend to all eligible members or all except any as to whom evidence of insurability is not satisfactory.

Must Cover at Least 25

The policy must cover at least 25 members at date of issue and the plan must preclude individual selection.

Finally there is provision for trustee group cover in which two or more employers in the same industry or two or more labor unions collaborate. The trustee is the policyholder.

Those eligible shall be all of the employees or all of the union members or all of any class and the policy may cover the trustees or their employees or both.

The premium must be paid wholly from funds contributed by the employers. They must insure all except any as to whom evidence of insurability is not satisfactory.

The policy must cover at least 100 at date of issue and individual selection must be precluded.

Grass Roots Survey of Insurance

(CONTINUED FROM PAGE 3)

Insurance education in colleges and universities has been eliminated because conditions in such institutions are, because of post-war problems, too unsettled. As soon as practical, a similar survey in this field will probably be made by the American College of Life Underwriters and Pennsylvania.

The survey will not cover the American College of Life Underwriters, American Institute for Property & Liability Underwriters, or the special courses and study groups that have been set up to prepare candidates for C.L.U. and C.P.C.U. examinations.

Retirement Plans, Inc., New Employee Benefit Consultants

CLEVELAND — Retirement Plans, Inc., a new corporation specializing in the designing, installing and servicing of employee benefit plans, with offices in the Hanna building, announced its formal opening at an all day meeting followed by a dinner.

The officers are Walter H. Schaedel, president and treasurer; Bruce I. Gheen, vice-president, and Richard Keys, secretary.

Directors are Frederick N. Winkler, general agent of Mutual Benefit Life, Cleveland, and J. S. Drewry, general agent of Mutual Benefit at Cincinnati.

Associate offices have been opened at Chicago, Detroit, Buffalo, and Cincinnati. Approximately 75 people from these cities attended the dinner.

Dr. Carl Fischer, University of Michigan, consulting actuary for Retirement Plans, gave an address, "Actuarial Thinking and Practice in Connection with Modern Pension Planning."

Marshall Is Speaker at Boston

Edward W. Marshall, vice-president and actuary of Provident Mutual, and president of the Actuarial Society of America, was speaker at a meeting of the Actuaries' Club of Boston. He talked on local actuaries' clubs and the national societies and suggested ways in which the local and national groups might contribute to and stimulate each other.

Harold A. Groat, vice-president and actuary of John Hancock, and secretary of the club from its founding until 1943, presided. A review of the activities of the club since its organization was presented by David Hall, associate actuary New England Mutual, present secretary.

John V. Hanna, president United Life & Accident of Concord, presented the mortality experience and new business and termination statistics of member companies.

Eastern Life "Ad" Men in Session

NEW YORK—The program of the eastern round table of the Life Advertisers Association here Thursday and Friday represented a departure from previous sessions. There were no outside speakers. The entire program consisted of discussions by members of six major functions, national advertising, direct mail, publications, merchandising the advertising, sales promotion, and public relations. There was a chairman and vice-chairman for each subject, and to keep the groups small, members were moved from table to table at the end of one hour on each topic. Theme of the meeting was "the challenge and opportunity for the life advertiser." Richard Rhodebeck, U. S. Life, was in charge.

Chairmen and vice-chairmen of the round tables were: National advertising, David W. Tibbott, New England Mutual, and A. F. Randolph, Penn Mutual; direct mail, Arthur F. Sisson, State Mutual, and Harold Brown, Imperial, Canada; publications, A. L. Cawthorn-Page, Metropolitan office in Canada, and H. F. Kennedy, Prudential; merchandising

Extra Cost of State Control Worth It, Dineen Tells Buyers

NEW YORK—Supervision of insurance by the states under the provisions of public law 15 would involve some additional complications and cost but will not be as bad as some have painted it, said Superintendent Dineen of New York, at the American Management Association insurance conference session on the implications of public law 15. He said he felt that while state regulation of rates might prove a little more expensive than federal regulation, he considers the former to be in the interest of keeping the insurance business in private hands.

Capt. John D. Shaw, who has been separated from the navy, has left Ohio State University, where he served as executive officer of the NROTC, to join the mortgage loan department of Prudential at Oakland, Cal.

the advertising, Nelson A. White, Provident Mutual, and C. T. Steven, Phoenix Mutual; sales promotion, Seneca Gamble, Massachusetts Mutual, and C. Russell Noyes, Phoenix Mutual; public relations, A. H. Thiemann, New York Life, and Scott Fyfe, Canada Life.

PEOPLES LIFE INSURANCE COMPANY

Frankfort, Indiana

39th ANNUAL STATEMENT

For Year Ending December 31, 1945

ASSETS

Bonds—United States Government	\$ 7,242,554.57
Bonds—Other	2,793,237.19
First Mortgage Loans on Real Estate	2,987,136.70
Loans on Company's Policies	1,166,096.30
Stocks—Preferred and Common	678,687.37
Cash in Banks	692,659.12
Real Estate Owned, Including Home Office Building	42,252.53
Real Estate, Sold Under Contract	88,440.12
Net Outstanding Premiums	279,824.61
Interest Due and Accrued and Other Assets	88,712.18
Total Admitted Assets	\$16,059,600.69

LIABILITIES

Reserve on Policies	\$13,210,292.40
Reserve for Trust Funds	575,412.85
Reserve for Coupons and Policy Dividends	345,233.24
Premiums and Interest Paid in Advance	106,497.58
Reserve for Claims—Proofs Incomplete	66,313.00
Reserve for Taxes	65,806.24
Reserve for Mortality and Investment Fluctuation	209,651.55
Reserve for Contingencies	731,961.39
All Other Liabilities	48,432.44
Total Liabilities	\$15,359,600.69
Capital Stock	300,000.00
Surplus Unassigned	400,000.00
Total	\$16,059,600.69
Total Admitted Assets	16,059,600.69
Insurance in Force	73,017,625.00
New Business Written During the Year	9,412,219.00
Paid to Policyholders and Beneficiaries	
Since Organization	15,699,249.00

WANTED!

STATE AND ASSISTANT STATE MANAGERS

A large and well-established Life Insurance Company, operating throughout the United States, has openings for men with managerial experience who can earn between \$5000 and \$10,000 per year. Excellent opportunities in the following states:

INDIANA
PENNSYLVANIA

ARKANSAS
MISSISSIPPI

LOUISIANA
GEORGIA

Send photo and give age and experience in first letter—all inquiries will be considered confidential.

Write Box E-56, THE NATIONAL UNDERWRITER, 175 West Jackson Blvd., Chicago, Illinois.

LEGAL RESERVE FRATERALS

W. O. W. Convention Held in Florida

Farrar Newberry and most of the staff of Woodmen of the World, Omaha, were re-elected at the first post-war national convention held at Jacksonville, Fla. W. E. Mooney, chairman of the board of auditors, was appointed general attorney to succeed Rainey T. Wells, who retired, and C. A. Hines of Greensboro, N. C., chairman of auditors to succeed Mr. Mooney. A. L. Yantis, Shelbyville, Ill., was named secretary and a member of the board, and T. E. Newton, sentry, was advanced to auditor.



W. E. Mooney

Upon President Newberry's suggestion the convention unanimously approved a plan to set up an endowment fund not exceeding \$3 million to be known as the "National Service Fund" to be administered by directors for the benefit of members in aiding local Woodmen camps in patriotic, civic and welfare work and in charities established in local communities.

Mr. Mooney has been appointed by President Walter C. Below of the National Fraternal Congress as a member of the committee on law and the uniform fraternal code committee to fill the unexpired term of Rainey Wells.

Newberry Renders Account

President Newberry in his report noted that the society had felt it should

provide some sort of coverage for the men in war service and so drafted a special insurance certificate for commissioned army and navy officers in amounts not exceeding \$5,000 which provided for payment of half the face of the certificate less the unpaid portion of five annual payments if death should result from war outside of the United States boundaries.

Paid Full Face Amount

When war ended the society made all the certificates good for the full face amount for members in armies of occupation, and Sept. 1, 1945, removed the hazardous rate from military personnel who joined prior to September, 1942. In order to conserve this membership after discharge from military service, a special conservation service was started.

Out of a total of \$32 million of exposure on this certificate, Mr. Newberry said, the losses were only \$418,000, and the W.O.W. total war debt losses were only \$1,859,000.

Unity L. & A. Festivities

The banquet at the quadrennial session of Unity Life & Accident of Syracuse was featured by an inspirational talk by Elmer Beesley, general agent for State Mutual Life. The welcoming address was given by Milton Richards, president of the Syracuse common council. A report was given by L. J. Bayley, secretary, and Superintendent of Agents Randall on the dinners in various cities launching the March production campaign for President Deming.

The production for the first day of the campaign totaled \$2¼ million which exceeds the previous high record for that day by more than \$700,000. Mr. Deming's birthday is March 25.

NEWS ABOUT LIFE POLICIES

General American Revises Rates for Life Income Form

General American has increased premiums for insurance with life income 55, 60, and 65 policies, with resultant increases in cash and maturity values.

There have been no changes in types of options provided in these contracts. Still included is the rather uncommon "option to accelerate or extend maturity date." This provision permits the insured to mature the policy at an earlier age than originally intended or to continue the payment of premiums to a later maturity age than the maturity age stated in the contract.

Cash value at maturity age 55 is \$1,997; maturity age 60, \$1,783; and maturity age 65, \$1,587. Premium rates are the same for men and women, but instead of the \$10 monthly life income, 10 years certain, which a male receives per \$1,000 insurance, a female would receive—\$8.99 if the policy matures at 55, \$8.93 if maturity is 60, or \$8.90 if 65.

The disability premium for women is twice the male rate. Following are the new premiums:

Males	Females	Years Certain			
		10	15	20	
40	45	\$3.76	\$3.71	\$3.64	
45	50	4.09	4.01	3.90	
50	55	4.50	4.37	4.18	
55	60	5.01	4.77	4.47	
60	65	5.61	5.21	4.75	
65	70	6.30	5.65	4.98	
70	75	7.07	6.05	5.14	

General American also made a change in its settlement option 2, monthly income for 10, 15 or 20 years certain and life thereafter. Monthly income, which has been reduced, per \$1,000 of proceeds is:

Age	Ins. With Life Inc. 55		Ins. With Life Inc. 60		Ins. With Life Inc. 65	
	With-out W.P.	With W.P.	With-out W.P.	With W.P.	With-out W.P.	With W.P.
15...	36.27	37.01	28.19	28.87	23.03	23.66
16...	37.52	38.30	29.09	29.80	23.51	24.16
17...	38.85	39.67	30.03	30.77	24.11	24.79
18...	40.26	41.12	31.01	31.79	24.78	25.49
19...	41.77	42.67	32.03	32.84	25.52	26.26
20...	43.40	44.34	33.08	33.93	26.31	27.09
21...	45.12	46.10	34.18	35.07	27.11	27.92
22...	46.94	47.97	35.36	36.29	27.95	28.80
23...	48.89	49.97	36.63	37.60	28.80	29.69
24...	50.96	52.09	37.99	39.01	29.68	30.61
25...	53.18	54.37	39.44	40.51	30.68	31.57
26...	55.53	56.78	40.98	42.10	31.57	32.59
27...	58.10	59.41	42.63	43.81	32.60	33.67
28...	60.89	62.27	44.39	45.63	33.71	34.83
29...	63.96	65.42	46.29	47.60	34.91	36.09
30...	67.33	68.87	48.31	49.69	36.22	37.46
31...	70.97	72.60	50.51	51.97	37.64	38.96
32...	74.92	76.65	52.87	54.41	39.17	40.57
33...	79.20	81.04	55.43	57.07	40.81	42.29
34...	83.90	85.85	58.22	59.97	42.57	44.15
35...	89.05	91.14	61.24	63.10	44.48	46.16
36...	94.73	96.96	64.51	66.50	46.53	48.32
37...	101.03	103.41	68.08	70.21	48.74	50.66
38...	107.99	110.55	72.00	74.28	51.12	53.18
39...	115.85	118.60	76.29	78.74	53.67	55.88
40...	124.89	127.86	80.95	83.58	56.46	58.84
41...	135.32	138.52	86.09	88.93	59.51	62.08
42...	147.60	151.07	91.76	94.82	62.79	65.57
43...	161.93	165.71	98.04	101.36	66.37	69.38
44...	178.63	182.78	105.14	108.73	70.29	73.56
45...	198.20	202.78	113.22	117.11	74.61	78.16
46...	...	...	122.55	126.78	79.36	83.24
47...	...	...	132.41	138.03	84.57	88.81
48...	...	...	142.20	151.27	90.29	94.93
49...	...	...	161.21	166.81	96.65	101.74
50...	...	...	178.85	185.07	103.74	109.33
51...	...	...	...	...	111.78	117.93
52...	...	...	...	...	121.09	127.87
53...	...	...	...	...	132.29	139.84
54...	...	...	...	...	145.92	154.40
55...	...	...	...	...	162.71	172.33

Combine Insurance and Savings

The Massachusetts savings banks are now promoting a combination savings deposit-life insurance scheme. Customers are solicited to make a monthly deposit of an even amount, say \$10, to purchase life insurance and the balance going into a savings account.

The \$10 a month payment provides either \$1,000 of 10-pay life, \$2,000 of 20-pay or \$3,000 of ordinary. The amount of the residue varies, of course, with age.

The banks advertise, for instance, that at age 30 after allowing for policy dividends but before addition of interest on savings deposits, the 10 pay life program would provide \$1,210.77 cash value at the end of 10 years. Twenty pay life

setup would have a cash value of \$1,160.64 and ordinary \$1,096.89. The comparable death benefits at the end of 10 years would be \$1,751.35, \$2,698.76, \$3,736.59. The banks will take deposits of \$5 a month and provide one-half the benefits.

The customer may quit at any time, exercise the usual non-forfeiture options in connection with life insurance and do what he wants with his savings deposit.

A cooperative advertising campaign is to be undertaken in Massachusetts newspapers.

Mass. Mutual Liberalizes Underwriting Ages 66-70

Masachusetts Mutual Life has liberalized its requirements and will now write insurance up to \$30,000 on men at rated ages 66 to 70 inclusive. Only first class risks will be accepted, and the service will be limited to ordinary life.

Conduct 6th Refresher Course

Northwestern Mutual Life conducted its sixth veterans refresher course at the home office during last week with 34 agents attending from 25 general agencies in states from Massachusetts to California and as far south as Alabama. The course is sponsored jointly by the company and its general agents.

Harold Gardiner, educational director, has general charge of arrangements. Returned servicemen who are resuming their life insurance careers with Northwestern Mutual hear talks on current subjects discussed by representatives of the various home office departments.

President M. J. Cleary discusses "The Company Picture" at the banquet, and Grant L. Hill, director of agencies, welcomes the agents and closes the school with an inspirational talk, "Let's Go!"

\$3,000,000 Endowment for Woodmen Civic Service

To further promote the Woodmen Society's "Fraternity in Action" program, the Sovereign Camp has authorized the establishment of a National Service Fund of not more than \$3,000,000. Income from this endowment will be used to assist Local Camps in patriotic, civic, charitable activities and welfare work in their communities.

WOODMEN OF THE WORLD

Life Insurance Society
OMAHA, NEBRASKA



One of America's
Leading Fraternal
Life Insurance
Societies

AID ASSOCIATION for LUTHERANS
APPLETON, WISCONSIN

Insurance for Entire Family

Life
Health and Accident
Hospital Expense

Desirable territory available for
District Managers

The Standard LIFE
Association
Lawrence, Kansas
Founded 1890



THE WOMAN'S BENEFIT ASSOCIATION
Founded 1893
A Legal Reserve Fraternal Benefit Society
Bina West Miller Supreme President
Frances D. Partridge Supreme Secretary
Port Huron, Michigan

Tap Surplus \$91 Million in '45 for Annuities; Disability Gives Profit

NEW YORK—Losses due to annuity business for companies licensed in New York state reached the new peak figure of \$91,125,393, about \$10 million higher than for 1944, dwarfing the disability loss peak of \$67,535,327, reached in 1932. Disability losses, which in the aggregate have cost the companies hundreds of millions of dollars, appear to have given way to gains. For 1945, aggregate disability gains exceeded aggregate losses by \$1,603,339. The only recent year in which there was a net aggregate gain on disability was 1943, when it was \$5,031,036.

Business was good last year—enough to permit companies to add \$374,304,745 to their life, annuity, disability and double indemnity reserves by shifting more of this business over to a more conservative valuation basis. The amount added to life reserves in this fashion reached a new high, \$233,004,680, more than double the 1944 figure and nearly half again as high as the previous record of \$163,358,732 set in 1943.

Annuity Reserve Additions

For annuities the additions to reserves due to change in valuation basis totaled \$136,046,977 or more than half again as much as 1944's record of \$88,356,972.

Gains from double indemnity totaled \$17,028,955. There were few companies with losses of any consequence.

Large scale bolstering of reserves should help future dividends, which might tend otherwise to lessen with increasing policy duration, whereas it has generally been held desirable to have dividends increase as policies grow older. As policy duration increases the interest factor, particularly under the American experience table, becomes relatively more important as a source of dividends. The companies are not unanimous on the extent to which reserves should be strengthened out of present funds.

Company men who favor the principle of strengthening reserves in a big way feel that now, when business is good and companies are prosperous, is the time to take care of any reserves that might not be fully adequate and thus build up a strong position for the future, avoiding the necessity of strengthening reserves on old business at a time when it may not be so convenient to do so and when policyholders may be more eager to get all the dividends the company can pay.

It is evident that companies that have been building their reserves beyond the

exigencies of the moment will find themselves in an improved net cost position in the future by reason of having taken care of obligations that they would otherwise have to meet.

Additions to life, annuity, disability and double indemnity reserves last year were as follows:

Life:		Annuities	
Bankers, Ia.	\$ 1,300,000	Aetna	\$ 1,036,295
Colonial	291,285	Bankers, Ia.	650,000
Columbian Natl.	44,517	Canada (U. S. Br.)	32,000
Continental Amer.	1,197,974	Columbian Nat.	45,597
Equitable Society	10,717	Conn. General	1,000,000
Equitable, Iowa	5,118,183	Conn. Mutual	5,164,130
Fidelity Mutual	48,047	Cont. Assur.	24,145
Home of N. Y.	25,000	Continental Amer.	3,427
Imperial (U. S. Br.)	5,000	Equitable Society	32,660,843
Lutheran Mut.	147,635	Farmers & Traders	409
Manhattan	13,427	Fidelity Mutual	118,676
Mass. Mutual	4,035,300	Guardian	829,595
Metropolitan	106,931,000	Home of N. Y.	37,806
Monarch	9,271,224	John Hancock	409,308
Mutual Benefit	9,839	Loyal Protect.	1,194
Mutual, Conn. (U. S. Br.)	9,839	Manhattan	5,123
New England Mut.	3,329,504	Mass. Mutual	5,683,362
New York Life	45,000,000	Metropolitan	4,799,837
Postal	5,027	Monarch	1,098
Provident Mut.	3,856,092	Mutual Benefit	1,370,983
Prudential	49,161,629	Mutual, N. Y.	984,784
Security Mut., N. Y.	2,409	National Trust	147,013
Travelers	3,200,792	National of Vt.	300,000
Total, 1945	\$233,004,680	New England Mut.	7,689,817
Total, 1944	100,262,274	New York Life	46,400,000
Total, 1943	163,358,732	Paul Revere	541
Total, 1942	55,389,991	Penn. Mutual	8,458,689
		Phoenix Mutual	1,968,800
		Postal	33,014
		Provident Mutual	3,716,080
		Prudential	8,827,781
		Security Mut., N. Y.	14,449
		State Mutual	995,000
		Teachers	573,389
		Travelers	782,316
		Union Central	1,131,997
		United Benefit	150,000
		Total, 1945	\$136,046,977
		Total, 1944	88,356,972

(CONTINUED ON PAGE 36)

	Disability Premiums, 1st Year & Renewal*	Disability Payments Made*	Premiums Waived for Disability*	Total Reserve for Disability*	Change in Surplus Charged to Disability*	Change in Surplus Charged to Double Indem.*	*Policy Divs. Declared for 1946 (Annual Basis)	1st Year Annuity Premium (Incl. Single Prema.)	*Annuity Renewal Premiums	*Annuity Reserves at End of 1945	*Net Change in Surplus Charged to Annuities	Reserves on Supple- mentary Contracts Not Involving Life Contingencies	
												End of 1945	End of 1944
Aetna Life	3,529,310	3,612,059	458,237	31,340,181	+493,636	+460,600	3,318,402	6,896,437	27,822,588	264,705,581	-348,921	109,448,137	98,787,544
Bankers, Iowa	801,548	727,172	191,747	13,162,974	-313,580	+331,207	3,631,550	853,338	1,017,061	28,064,871	-166,027	23,683,615	20,377,497
Berkshire	95,123	32,717	12,496	680,965	+26,656	+9,679	695,600	1,577,471	1,310,083	12,824,469	+15,167	8,975,029	8,504,943
Canada	81,074	74,451	21,903	1,472,539	-20,858	+38,345	495,900	370,724	370,724	11,446,067	-81,261	4,154,084	4,467,009
Church								261,783	98,611	3,808,832		247,197	140,575
Colonial	11,559		2,601	28,686	+2,954	+19,880						81,338	74,740
Columbian National	86,163	84,247	29,272	1,216,735	+44,564	+38,497	2,545	158,624	138,058	6,220,445	-39,608	3,235,871	2,986,352
Confederation U. S. Br.	10,118	2,718	1,383	69,572	+12,436	+10,665	130,000	198	15,812	343,194	-1,274	57,695	66,148
Conn. General	831,486	981,965	181,978	12,554,896	+182,265	-8,193	1,665,154	4,608,976	18,599,154	146,337,126	+183,648	27,853,171	24,994,461
Conn. Mutual	996,537	655,355	253,512	13,617,097	+256,991	+403,564	7,060,000	4,207,749	4,207,749	67,119,749	-4,652,894	55,615,360	50,086,029
Continental Assur.	287,976	126,141	19,067	1,074,800	+124,445	+48,554	285,709	917,207	352,615	5,577,154	+123	2,835,638	1,655,233
Continental Amer.	127,659	72,663	16,474	1,342,710	+73,602	+17,238	396,000	242,984	890,172	2,636,557	+2,638	2,768,455	2,435,986
Credit	5,886	2,712		5,587	+938								
Eastern	14,064	1,068	3,892	5,839	-1,875	+3,927				960	+69,430	196,010	80,246
Empire State	1,055			1,402	+796	+379	5,000					13,986	16,932
Equitable Society	6,857,681	8,094,430	1,516,079	117,434,613	+435,622	+2,065,360	44,100,000	57,789,415	104,255,464	1,407,055,034	-20,928,975	228,109,285	204,331,590
Equitable, Iowa	468,260	349,663	91,823	6,021,083	-27,723	+156,793	2,585,626	1,173,317	2,786,904	43,754,540	-85,308	24,344,513	22,017,365
Expressmen's Mutual							180,721					32,353	27,485
Farm Bureau	44,795		773	19,612	+27,016	+38,059	270,000	11,331		22,643	-541	161,906	141,825
Farmers & Traders	22,551	10,374	3,830	317,441	-19,632	+22,410				116,722	-10,077	643,186	509,991
Federal Life & Cas.	1,327			805	+1,024	+816						3,035	3,035
Fidelity Mutual	373,351	330,207	96,665	5,188,554	+94	+33,250	1,616,050	1,169,538	1,104,153	23,551,712	-82,018	13,282,107	11,878,917
Guardian, N. Y.	644,015	470,198	127,472	8,420,462	-14,474	+2,325,000	2,325,000	657,977	19,889,376	812,238	-812,238	14,299,726	13,052,662
Home Life, N. Y.	358,382	252,028	77,790	3,706,769	+58,308	-4,944	1,700,000	209,025	511,185	13,469,346	+21,659	12,691,291	11,443,210
Imperial U. S. Br.	1,603	4,895	1,182	47,104	+6,438	+81	98,467	181,284	54,301	590,947	+43,495	205,025	131,296
John Hancock	1,216,803	1,241,173	300,179	14,572,197	-338,346	+1,143,503	16,608,877	13,746,212	45,147,852	310,055,965	+1,783,423	52,670,581	46,492,803
Loyal Protective	3,394		3,236	3,496	+1,936	+1,730	27,365	54,801		58,044	-1,133	2,028	1,268
Lutheran Mutual	21,876	8,990	2,652	201,302	+995	+18,860	560,000			43,598		369,871	240,023
Manhattan	75,668	47,495	14,077	673,631	-42,428	-8,202	43,169	415,666	585,574	5,706,742	-44,451	1,889,123	1,661,882
Mass. Mutual	1,765,831	1,324,669	480,504	19,967,643	+95,980	+199,438	10,595,403	2,803,333	6,164,919	130,897,768	-4,384,695	135,891,194	124,586,645
Mass. Protective	29,166		9,167	113,866	+11,070	+8,881				19,855	-3	139,859	125,101
Metropolitan	5,585,873	7,783,943	1,161,642	90,028,092	-1,886,479	+3,034,440	73,971,306	6,330,446	60,127,755	738,898,344	-2,522,154	276,218,932	240,621,863
Monarch	31,951		4,045	66,505	+10,976	+1,643	93,254			24,386	-1,548	157,173	117,036
Morris Plan		599		78	+13,089								
Mutual Benefit	520,331	51,195	46,872	2,811,095	-906,756		13,367,681	3,975,059	1,294,458	40,852,493	-1,763,311	144,375,004	129,992,747
Mutual, Canada	534	866	415	19,895	+685	+209	75,000					73,124	59,394
Mutual, N. Y.	3,067,326	6,215,939	1,265,286	86,185,194	-164,950	+620,484	14,850,000	992,088	3,347,679	197,286,678	-2,376,363	174,345,443	153,133,650
Mutual Trust	122,803	58,689	18,314	1,267,289	+37,251	+62,344	1,130,000	196,271	133,762	3,245,172	-202,378	4,179,418	3,483,365
National of Vt.	325,848	185,388	64,869	3,392,352	+210,208	+112,668	4,806,474	8,000,876	2,211,543	63,708,876	-574,212	26,130,202	23,374,303
New England Mut.	768,648	403,122	169,068	7,125,246	+326,815	-87,527	11,096,000	2,398,034	4,679,211	93,291,437	-5,642,520	77,705,254	65,721,502
New York Life	7,274,274	13,214,454	3,445,120	217,625,930	+2,913,549	+2,616,522	38,891,991	2,716,766	9,427,091	530,574,450	-4,589,916	310,610,004	269,919,967
North Amer. Reassur.	55,061	47,288	14,123	728,735	+72,663	+16,404		329	3,430	27,673	+2,547	248,097,959	227,304,035
Northwestern Mut.	1,507,282		388,867	5,631,509	+555,361		38,300,000	5,643,023	4,843,957	133,562,825	+267,181	248,097,959	227,304,035
Old Republic Credit	349	3,136	413	6,264	-2,312	+234							
Paul Revere	37,259		2,794	66,556	+20,331	+26,826			48,000	606,968	+15,361	73,124	59,394
Penn. Mutual	1,304,960	1,270,528	419,538	23,087,321	-30,117	+235,521	10,400,000	4,722,083	3,570,949	193,144,085	-9,867,763	101,397,445	92,061,072
Phoenix Mutual	1,021,984	603,262	178,155	9,570,162	-6,632	+335,539	2,803,113	1,473,201	2,636,940	56,749,175	-1,713,741	31,377,487	28,123,801
Postal	832		1,790	18,585	-152		35,075	8,400	11,623	47,477	-43,349	380,303	374,132
Provident Mutual	754,935	405,473	145,953	9,912,535	+47,563	+103,156	4,290,000	1,393,922	1,410,976	72,795,303	-3,694,779	54,746,376	48,076,267
Prudential	2,357,662	8,250,092	1,935,711	83,921,987	+990,255	+4,013,396	43,434,209	3,779,096	49,561,694	544,552,870	+13,130,113	250,057,644	219,609,011
Security Mutual, N. Y.	69,517	31,188	14,803	713,002	-8,560	+29,964	437,000	345,819	163,932	1,209,871	-41,291	1,860,399	1,562,097
State Mutual	299,385	186,366	62,052	4,113,525	-7,132	+79,348	3,675,000	1,211,131	666,984	21,538,488	-953,266	26,984,147	24,875,387
Teachers	36,793		3,663	91,933	+33,741		155,000	1,600,169	9,934,380	151,941,111	+71,276	3,502,383	3,028,831
Travelers	6,282,877	5,846,752	952,904	64,403,160	-1,118,698	+569,197	1,051,138	7,437,096	17,082,619	195,189	-915,189	86,138,384	76,582,936
Union Central	450,683	488,331	168,248	7,392,070	-727,423	+161,631	2,915,097	3,901,684	3,182,405	70,102,748	-1,084,177	13,403,135	11,911,241
Union Labor	29,698	7,780	782	41,878	+6,939	+3,638	159,470	24,727	31,379	253,092	-182	66,050	52,056
United Mutual	32,516	5,170	1,434	110,007	+3,840	+22,332	443,500	152,606	124,356	2,014,444	-20,842	1,993,660	1,861,071
United Benefit	235,963	13,221	11,288	385,179	+123,047	+14,988	3,500	7,606,742	560,935	11,223,085	+54,941	504,182	417,179
United Mutual				500	+250	-750						300	
U. S. Life	47,562	21,457	3,613	267,683	+37,371	+8,534	65,000	375,680	65,807	1,834,784	-43,935	569,160	455,213
Victory Mutual	2,367	520	567	17,799	-234	+819		2,564	119	3,530	+7	7,767	8,166
Totals, 1945	60,758,533	63,475,998	14,400,895	872,164,580	+1,603,339	+17,047,489	363,694,208	154,084,336	381,428,432	5,613,388,374	-91,125,399	2,558,782,004	2,279,334,660
Totals, 1944	49,722,073	61,575,520	15,228,548	877,141,155	+8,783,726	360,174,515	350,174,515	157,491,042	346,605,290	4,968,331,295	-80,663,121		

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THE BOURSE PHILADELPHIA

Confer with Treasury on Employee Tax Issue

(CONTINUED FROM PAGE 1)

Since V-J day, he said, in every new case in which he has had a hand, the employer has indicated an interest in contribution.

Accenting Life Insurance

Contributory plans will accentuate the use of life insurance. The employee will want to be able to visualize just what his contribution is buying and an easy solution is to earmark his payment for life insurance. It is necessary under a contributory plan to have either a liberal vesting plan or life insurance. The employer, from a practical standpoint, must offer to the employee more than his money back plus interest if he leaves before retirement age.

There may be a trend to a lower retirement age. If the social security act is amended in that way, private plans will be influenced. Also if full employment can't be maintained that will accelerate such a trend. There will then be a movement to get rid of the aged to make room for the young. It is conceivable that the retirement age for men may become 60 and for women, 55.

Mr. Dawson spoke with satisfaction of the recent Treasury Decision removing the retroactive sting from PS 55. The latter required money to be paid into a profit sharing trust in the year in which it is created and for which tax exception is claimed. He praised the American Bar Association committee that demanded modification of PS 55.

Not Question of Whether But When

It is no longer a question of whether an employer is going to install a pension plan, but rather when it is going to be done and what kind.

The group was extremely appreciative. Seated at the head table were H. Kennedy Nickell, Connecticut General, president Chicago Association of Life Underwriters; Robert F. Spindell and Paul Millett, attorneys specializing in the pension field, and J. Raymond Clark, also a pension attorney.

Mr. Dawson drew attention to the fact that Robert Swanson, brother of the general agent, was recently returned from the navy and is head of the pension department of the agency.

Mr. Swanson went into a huddle on affairs of the New England Mutual Association of General Agents, the Chicagoan being president and the New Yorker vice-president.

PLANS FOR MEETING

WASHINGTON—It is learned that internal revenue bureau officials here tentatively planned to hold a conference March 19 with one representative each of the National Association of Life Underwriters and Life Insurance Association of America on the subject of income tax regulations, sections 29.165-6 and 29.22(A)-3, dealing with the treatment of premiums paid on insurance issued under pension plans.

E. A. Sellers, actuary of the bureau pension trust division, and other officials and specialists are expected to participate.

It is emphasized that this question has been subject of a number of conferences between the bureau and life interests and others during which various phases of the situation have been explored. Proposals have been discussed and counter-proposals submitted.

It is said the matter seems no nearer a definite settlement on a specific proposal than it has for some time past. Discussions are understood to center around an idea that a certain proportion of the premium paid for insurance under pension trust plans should be taxable to employees. That proportion, whatever it may be, the bureau reportedly wants taxed, on the ground that it is life insurance benefit, as distinguished from annuity payments. A maximum amount, not yet decided upon, according to report, would be tax exempt under a de-

partment proposal, the balance being subjected to taxation.

Tap Surplus \$91 Million in 1945 for Annuities

(CONTINUED FROM PAGE 35)

Total, 1943	79,531,882
Total, 1942	67,208,996
Total, 1941	44,570,744
Total, 1940	12,849,301
Total, 1939	15,006,271

Disability	
Columbian Natl.	\$ 36,000
Equitable Society	452,443
Farmers & Traders	22,240
Fidelity Mutual	139,199
Guardian	155,720
Mutual Benefit	1,157,131
Mutual, N. Y.	501,349
New York Life	50,000
No. Amer. Re.	7,785
Penn Mutual	156,271
Phoenix Mutual	100,000
Provident Mutual	250,000
Security Mut., N. Y.	11,117
State Mutual	75,000
Union Central	729,618
Total, 1945	\$ 3,771,873
Total, 1944	18,727,563
Total, 1943	6,875,232
Total, 1942	7,511,297
Total, 1941	7,323,953
Total, 1940	5,668,423
Total, 1939	7,121,635

Double Indemnity	
Con. General	\$ 287,616
Fidelity Mutual	21,722
Guardian	50,000
Home of N. Y.	113,591
Imperial (U. S. Br.)	500
Mutual, N. Y.	500,976
New England Mut.	341,092
Penn Mutual	162,812
Security Mut., N. Y.	2,906
Total, 1945	\$1,481,215
Total, 1944	22,192,498
Total, 1942	1,913,451
Total, 1941	2,562,380
Total, 1940	1,406,650
Total, 1939	3,462,669

Wienecke Chicago Speaker

Col. Robert H. Wienecke, formerly well known in the Chicago life insurance business, where he was assistant manager of Union Central at one time and later life department manager for a general insurance agency and after that manager of the Cook county department of Mutual Trust Life in Chicago, addressed the Life Agency Supervisors of that city Thursday on "Refresher Course for Returned Veterans."

Col. Wienecke was in charge of the supply of airborne troops in the invasion of Sicily and later in the Normandy campaign and invasion of Germany itself. He has had a very distinguished record.

See End of OASI Hearings

WASHINGTON—Hearings on old age and survivors insurance continued this week before the House ways and means committee with the prospect they may be completed within a week.

Msgr. John O'Grady, secretary National Conference of Catholic Charities, recommended extension of OASI to farmers, agricultural labor and self-employed persons.

He also recommended gradually increasing of benefits so as to assure sufficient for basic needs, a larger share of increasing costs to be borne "by industry and the workers themselves," so that beneficiaries will regard payments to them as earned and due as a matter of right.

He urged prompt action to provide OASI credits for veterans.

The committee heard Rep. Voorhis, California, urge broadening of social security to become "economic stabilization and security for the nation."

Other witnesses heard included Alexander Cruickshank, Washington, speaking for a universal federal old age pension plan, and William H. McMasters, representing National Old Age Pensions, Inc., Boston.

Grant L. Hill, director of agencies of Northwestern Mutual Life, Mrs. Hill and their son Bill, joined the Mill family at Minneapolis in celebrating the 60th wedding anniversary of his parents, Mr. and Mrs. John R. Hill. This was the third 60th anniversary in a row for the family, Mr. Hill's parents, grandparents and great-grandparents having celebrated the rare occasion. The Grant Hills have been married 25 years and have only 35 years to go to keep the record intact.

Give N. Y. Guertin Bill 50-50 Chance of Passage

ALBANY—Legislative wise men at this stage give the New York Guertin bill a 50-50 chance of passage. Disappointing was the fact that it was not reported out this week by the senate insurance committee. The final meeting of that committee is slated for Monday evening and if it does not get the green light then it would have to go to the rules committee.

Bankers Life Gets Free Plug

Bankers Life of Iowa representatives listening to the "Information Please" broadcast the other evening got a thrill from the response to the final question which was: "What are Hartford, Newark and Des Moines famous for?" The answers were "insurance" and then Franklin P. Adams went on to make the impromptu remark: "I can tell you the name of the company in Des Moines... Bankers, I know because they are taking my premiums."

Union Mutual Corrections

The National Underwriter for March 8 included errors in the schedules on pages 4 and 18 for Union Mutual Life. The figures for the Union Mutual should be as follows:

New ordinary in New York was \$5,875,574; in force there \$43,555,548; federal income taxes, \$20,994.

Group new business was \$93,500; in force, \$525,000.

On page 18 new business for 145 should be \$17,430,379 instead of \$37,293,857.

Veteran Trainees Make Good

Of the seven war veterans under training by the Kansas agency of Business Men's Assurance, Manager Bert A. Hedges reports that Charles Cooper of Iola has "graduated" from the training program and in February led the entire state. Four who have completed one month training have averaged \$247 first year commissions. Mr. Hedges is strong for the on-the-job training program and expects to start six or seven more men this year.

New Detroit 'Phone Directory

The Detroit Insurance Telephone Directory for 1946 is being distributed by the National Underwriter Company to insurance offices in that city. The book lists the fire, casualty, and life insurance offices and others closely associated with the insurance business alphabetically, with phone numbers, and is a useful and convenient reference.

Extra copies may be ordered at \$1 each from the head office at Cincinnati, 420 East Fourth street, or the Detroit office, 1015 Transportation building, Randolph 3994.

Housing Bills in Missouri

JEFFERSON CITY, MO.—Three bills authorizing insurance companies to invest funds in urban redevelopment corporations and to construct multiple projects in the blighted sections of Kansas City and St. Louis have been recommended for passage by the house. The three have passed the senate but two must be returned to that branch for concurrence if minor amendments in the house are approved. A companion and key bill is in the senate awaiting action on amendments made by the house.

Bontrager New President

D. Russell Bontrager, prosecuting attorney for Elkhart county, has been elected president of Rural Bankers Legion Life of South Bend, Ind. Arthur H. Sapp was the president. Mr. Bontrager was elected a director in 1942 when the company was in precarious condition and he is credited with having been largely responsible for working it out of its difficulty.

This is your eye



It is a sensitive barometer



of health. The eye's

condition helps the diagnosis not only of its ailments,



but often of those in other parts of the body,

such as *high blood pressure, diabetes, hardening of the*

arteries. Prolonged headaches



or faulty vision

mean you should see a competent eye specialist.

Common faults like nearsightedness,



far-

sightedness,



and astigmatism can be helped by

properly fitted glasses.



Remember—your eyes

are good for a lifetime, if they get the care they need!

For further information on eye-health, send for your free copy of Metropolitan's Booklet, entitled "Good for a Lifetime."

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1945-- JEFFERSON STANDARD'S Most Outstanding Year

THE FACTS AND FIGURES reproduced below from the Jefferson Standard's 39th Annual Report represent more than just another year of progress in this company's bright record. This record, which is evidence of the fine American quality of thrift, is also a report of *human* progress. It represents the foresight, the hopes, and the aspirations of more than 250,000 policyholders. ¶ While putting "Planned Protection" to work for additional thousands of Americans during 1945, Jefferson Standard agents made it a year of greatest achievement. This company and its representatives look forward to even greater opportunities for service in the years ahead. *We invite you to write for a copy of our 39th Annual Report booklet.*

INTEREST EARNINGS AND INTEREST PAYMENT MAINTAINED

✓ Jefferson Standard maintained its national leadership in interest earned on invested assets. During the year 5 per cent interest was paid on funds held in trust for policyholders and beneficiaries—this rate has been maintained since the company was organized in 1907.

ASSETS INCREASED SUBSTANTIALLY

✓ Assets increased \$18,000,000 for 1945. Total assets are now \$161,000,000. For every \$100 of liabilities there are \$112.96 of assets.

LARGEST CAPITAL AND SURPLUS

✓ With a 10 million dollar Capital Stock structure, added to \$8,500,000 Surplus, our company is in the strongest financial position in its history.

YEAR OF RECORD ACHIEVEMENT

- ✓ (1) Largest sales in history—\$70,000,000.
- (2) Largest gain in insurance in force—\$46,500,000.
- (3) \$589,000,000 insurance in force—the greatest on record.

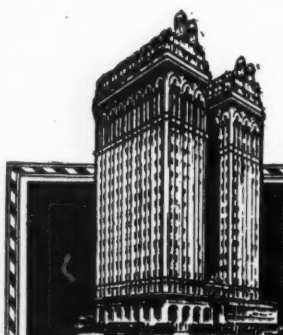
"PLANNED PROTECTION" AT WORK

✓ \$7,500,000 in benefits was paid to policyholders and beneficiaries in 1945. Total benefits since organization in 1907—\$151,600,000.

39th ANNUAL STATEMENT

FINANCIAL STATEMENT • DECEMBER 31, 1945

ASSETS		LIABILITIES	
Cash	\$ 1,820,826	Policy Reserves	\$123,474,031
United States Government Bonds	35,566,252	<small>This reserve is required by law to assure payment of policy obligations.</small>	
State, County and Municipal Bonds	3,842,440	Reserve for Policy Claims	744,729
All Other Bonds	14,494,209	<small>Claims in course of settlement on which proofs have not been received.</small>	
Stocks	14,494,616	Reserve for Taxes	624,596
<small>Listed securities carried at market, cost, or call value, whichever is lowest.</small>		Premiums and Interest Paid in Advance	2,711,493
First Mortgage Loans	66,792,718	Policy Proceeds Left With Company	12,587,064
Real Estate	6,807,617	Dividends for Policyholders	1,510,619
Loans to Our Policyholders	10,281,816	Reserve for All Other Liabilities	1,125,514
<small>Secured by the cash values of policies.</small>		Liabilities	\$142,778,046
Premium Loans and Liens	2,316,658	Capital	10,000,000
<small>Secured by the cash values of policies.</small>		Surplus Unassigned	8,500,000
Investment Income in Course of Collection	1,236,376	Total Surplus Funds for Additional Protection of Policyholders	18,500,000
Premiums in Course of Collection	3,433,992	Total	\$161,278,046
All Other Assets	190,526		
Total Assets	\$161,278,046		



**JEFFERSON STANDARD
LIFE INSURANCE COMPANY**
JULIAN PRICE, CHAIRMAN OF THE BOARD RALPH C. PRICE, PRESIDENT
GREENSBORO, NORTH CAROLINA